

FEB
MANUFACTURERS & SUPPLIERS
OF BUILDING & CHEMICAL PRODUCTS
FOR THE CONSTRUCTION INDUSTRY

FEB INTERNATIONAL LTD
Albany House, Swinton Hall Road, Swinton,
Manchester M27 1DT. Tel: 061 794 7411

WIGHT STEEL
CARBON
ALLOY
AND
STAINLESS

KPSI

10 PARK STREET & WIRE WORKS
10 PARK STREET, SHEFFIELD
Tel: 074 233

CONTINENTAL SELLING PRICES: AUSTRIA S.15; BELGIUM F.25; DENMARK K.1.5; FRANCE F.3.5; GERMANY DM.1.0; ITALY L.50.0; NETHERLANDS F.1.0; NORWAY K.3.5; PORTUGAL Ec.20; SPAIN Ptas.160; SWEDEN K.3.25; SWITZERLAND Fr.2.0; IRE 12.0

NEWS SUMMARY

AL
Monday
by
ing
II

496.7

BUSINESS
Equities
fall 8.8;
gold
down \$4

● **EQUITIES** retreated, unsettled by worries about pressure on the pay guidelines and about lagging industrial production and retail sales. The FT 20-Share Index, down 11.7 at 2 p.m., closed at 487.9, off 8.8 on the day. Gold Mines again slipped.

● **GILTS** showed losses, although low-coupon, short-dated issues gained as much as 1/2 to leave the FT Government Securities Index 0.1% lower at 77.99.

● **STERLING** again closed unchanged at \$1.8166, with its trade-weighted index at 63.7. Dollar's trade-weighted depreciation was unchanged at 2.02 per cent.

● **GOLD** fell a further \$4 to \$161.375, with the market indicated by profit-taking and

smear
for the family of Steve...
protest
ators protesting against...
British Rail
to take over
freight group

WALL STREET was up \$5.24 at \$143.90 near the close.

● **U.S. TREASURY** Bill rates at this week's auction: three 6.92 (6.87) per cent, six 6.92 (6.84) per cent.

● **BANK** of England has told the SEC, Commission that present arrangements to London's foreign exchange and currency deposit market are essential to maintain an effective and orderly system.

ear damages
... who claimed that...
ies defended
... of its...
es for vote
... with two key divisions...
COMPANIES
● **COURTAULDS** lifted first-half profit in £27.9m. (£21.8m.) but directors expect the year's result to fall short of last year's £80.9m. Page 28 and Lex

● **CHLORIDE** made lower pre-tax profit of £7.22m. (£10.82m.) in the first half, in the wake of a nine-week strike at two factories. Page 29 and Lex

● **ROYAL INSURANCE** almost doubled pre-tax profit to £103.9m. in the first nine months of the year. Page 28 and Lex

● **CO-OPERATIVE** Bank will set up a £7m. central customer service bureau at Skelmersdale in Lancashire. Page 10

PRICE CHANGES YESTERDAY

In pence unless otherwise indicated

General Accident	234	- 8
GKN	268	- 8
ICI	385	- 5
KCL	204	- 6
Kwik Save	217	- 13
Lloyds Bank	272	- 8
Lucas Inds.	286	- 15
Mackay and Spencer	157	- 4
NatWest	272	- 8
Osborn (S.)	76	- 6
Tesco	461	- 2
Thorn Electrical	404	- 10
Tube Invs.	388	- 8
Weir Group	116	- 8
Wheatmeal	115	- 45
Wool	896	- 12
Hartbeest	884	- 66
Pancontinental	750	- 50
West. Drie	171	- 1

Begin invites Sadat to Israel to address Knesset

BY OUR FOREIGN STAFF

Mr. Menahem Begin, Israel's Prime Minister, yesterday issued an official invitation to President Sadat of Egypt to visit Jerusalem and address the Israeli parliament.

The message was relayed to Cairo through the U.S. embassies in both cities.

If this visit were to come about, it would be the first open top-level meeting between Arafah and Israeli leaders since the creation of Israel 30 years ago.

Mr. Begin's invitation is the swift response to a spectacular initiative by President Sadat only last Wednesday, when he told the People's Assembly in Cairo that he was "prepared to go to Knesset itself" to talk with Israelis.

What was taken with scepticism at first as rhetoric has now stimulated great excitement in Israel.

Discordant

Mr. Begin told the Knesset (Parliament), whose members, except for three Communists, approved the invitation, that he had asked President Sadat to notify him of the date of his visit no later than Friday, two days before he is scheduled to arrive on an official visit in Britain.

In Cairo, President Sadat yesterday told a delegation from the U.S. House of Representatives that he considered his suggested visit to the Knesset as part of the preparation for the Geneva Peace conference and as a means of bypassing procedural blockages on the way.

He gave the strong impression that he was involved in much more than a verbal diplomatic

CBI may alter policy on four key issues

BY JOHN ELLIOTT, INDUSTRIAL EDITOR, IN BRIGHTON

FOUR KEY AREAS of CBI policy may be revised in the near future as a result of the confederation's first national conference, which ended here yesterday on a high note of public self-confidence among the organisation's leaders.

The four areas are employee participation, on which there is considerable opposition among CBI members to any legislation; the CBI's target top tax rate for earned income tax, which members want brought down from 60 per cent to 50 per cent; removal of "corporate state" overtones from pay policies; and the closed shop, which several speakers opposed yesterday.

Closed shop

Of the four main policy points, the least likely to be changed is the CBI's line that it does not oppose post-entry closed shops where a worker has to join the union once he is employed.

The reason for this emerged during a debate on labour law yesterday, when the strong internal tensions between the big and small business interests in the CBI came to the surface. Small businessmen in particular, reflecting a general anti-union attitude, called for laws to outlaw closed shops.

But the opposing view was put on behalf of the big corporations in a powerful speech by Mr. Terry Beckett, chairman of Ford Motor, who called for strong and effective trade unions. Now was not a time to propose new closed shop laws. The power of trade

Kennecott makes \$530m. bid for Carborundum

BY STEWART FLEMING

NEW YORK, Nov. 15.

KENNECOTT COPPER, the leading United States copper producer, today launched a rival \$530m. take-over bid for Carborundum, the second largest abrasives producer in the world. The two companies' Boards are expected to approve the merger tomorrow.

Two weeks ago the Cleveland-based motor industry and power transmission group Eaton Corporation announced a take-over bid for Carborundum, which has extensive international interests including holdings in Britain. These include a 45 per cent stake in Royal Worcester Spode, the china group, and control of Weyburn Engineering, which it bought earlier this year.

The Eaton bid of \$47 a share was quickly rejected by Carborundum which with its investment bankers Morgan Stanley immediately began a search for a more appealing suitor.

That search appears to have ended today with the announcement that Kennecott Copper is

Japan holds Yen down

By Charles Smith, Far East Editor

TOKYO, Nov. 14.

THE BANK of Japan successfully held the Yen exchange rate at 245.50 to the dollar, on the Tokyo foreign exchange market today after foreign exchange markets in Europe moved to the all-time peak level of 244.60.

The bank intervened heavily in the market, buying an estimated \$10m. out of the \$455m. which changed hands during the day. Its intervention pushed the Yen rate down from the ¥250 to the dollar at which the market opened following the peak in Europe.

Observers of the foreign exchange market feel Japan will do its utmost to maintain the Yen exchange rate at or near its present parity until next week's meeting of the OECD's Working Party. Three under the chairmanship of Mr. Michio Matsukawa, the Japanese Vice-Minister of Finance for International Financial Affairs.

Surplus

Japan is hoping that the meeting of the OECD's Working Party will produce an international agreement on the stabilisation of exchange rates. If this does not occur, upward pressure on the Yen are expected to reappear and to prove irresistible.

The view that a further sharp appreciation of the Yen is likely, if not inevitable, is forcibly put forward in a special report released this week by the Yamaiichi Research Institute.

Yamaiichi says the rate could reach 250 to the dollar soon unless the government takes urgent and effective action to reduce Japan's visible trade surplus (now expected to reach \$11bn. in the 1977 fiscal year). It forecasts "unacceptable" consequences for Japan's domestic economy if the ¥230 rate becomes a reality.

Even if the rate averages ¥240 this year, Yamaiichi thinks Japan's growth rate will be cut to 3.1 per cent. This would spell serious trouble for smaller and weaker companies, which need a much higher growth rate to regain vitality.

Yamaiichi points out that the 50 per cent appreciation recorded in the Yen in the past 11 months (just over 18 per cent since the start of the year) is considerably higher than the 15.8 per cent appreciation that occurred in 1971 after the dollar crisis that year, or the 15 per cent rise which took place after the yen floated in 1973.

These earlier appreciations occurred when world trade was booming, so their effects on Japan's economy were less drastic.

Continued on Back Page

38 Labour MPs rebel over firemen

BY PHILIP RAWSTORNE

THIRTY-EIGHT Labour MPs voted to protest last night against the Government's handling of the firemen's dispute after an emergency debate in the Commons.

Seven Tory backbenchers, Nationalist and Ulster MPs joined the Labour rebels in forcing the division.

The Government won the vote by 215:8, a majority of 153, with Conservative leaders and the bulk of their party abstaining.

Despite the attack, Mr. Merlyn Rees, the Home Secretary, strongly reaffirmed the Government's determination not to concede any pay increase above 10 per cent.

During the day no serious outbreaks of fire were reported and no deaths were attributed to the effects of the strike.

But with no sign of progress on an early solution to the pay issue, the Fire Brigades Union warned that the country was "walking a tight-rope." A major disaster would occur eventually, it said.

In the Commons Mr. Rees rejected the appeals for concessions from the Labour benches, declaring: "The Government is sticking to its pay policy and its guidelines."

Negotiations could proceed on reductions in firemen's working hours and establishment of a "bench mark" formula for determining future pay levels in the service, he said.

But Mr. Rees insisted there could be no Government commitment about phasing-in of any agreement reached in negotiations between the firemen's union and the local authorities. "Of unloos negotiations, spent at least an hour with the Home Secretary to consider the financial implications of a new formula for changing the position of firemen in the wages league. Government's stand against the

'Special case'

He did not believe public opinion was ranged against the firemen. "Neither do I believe the public will think the Government's pay policy has caused in if they say firemen are a very special case."

Pauline Clark writes: There was some hope yesterday that at least the preliminary basis for an eventual settlement was being laid by the local authority agreement reached in negotiations between the firemen's union and the local authorities. "Of unloos negotiations, spent at least an hour with the Home Secretary to consider the financial implications of a new formula for changing the position of firemen in the wages league. Government's stand against the

Continued on Back Page

FEATURES

Half time at Belgrade	18	Langueadoc wine	4
Fears over building load shortage	27	Chile's economy	6
U.S. retailer fights to stay on top	32	M2E peace prospects	7
Labour productivity in Europe	17	Syria	19-26

FT SURVEY

ON OTHER PAGES

Appointments	15	Lex	42	Wall St. & Overseas	26
Arts	3	London	5	Weather	62
Company News	28-31	Management Page	16	World Trade News	8
Crossword	2	Men and Markets	18		
Editorial	1	Miners News	30	INTERIM STATEMENTS	
Entertainment Guide	4	Money Market	29	Charter Cases	4
Farming and Raw	29	Overseas News	31	City Investment	33
Materials	37	Parliament	14	Courtside	14
Foreign Exchange	26	Racing	2	Electric Invest.	31
FT-Activities Indices	35	Self-reliance	30	Royal Insurance	25
Home News	28-32	Share Information	30-41	Wholesale Prices	32
Labour News	17	Stock Exch. Report	28	ANNUAL STATEMENTS	
Leading Articles	32	The Technical Page	34-35	Smiths Industries	28
Letters	27	Today's Events	11	Wankin Cullery	30
		TV and Radio	32	Banking	39
		Unit Trusts	27	Bank Lending Rates	39

Every week, the most flights to Germany.

With frequent flights every day from London to Dusseldorf, Frankfurt, Cologne, Hamburg, Munich, Hanover, Bremen, Stuttgart and Berlin.

And there are further services from Birmingham, Manchester and Glasgow.

Full details from your Travel Agent or British Airways shop.



LOMBARD

A chance for Mrs. Thatcher

BY JOE ROGALY

THE Leader of the Conservative Party, Mrs. Margaret Thatcher, has by now taught us all that she is to fool. She is in fact blessed with one of the finest brains on either of the Front Benches: in a straight contest of intellects she would have little difficulty in beating the present Prime Minister into second place. The doubts arise when one considers the kind of intellectual ability she possesses: is it that of a politician of vision, or is it that of a narrow academic lawyer?

We shall see, and we shall do so quite soon. The case for those who cry "narrow lawyer" rests at least in part on Mrs. Thatcher's firm refusal to countenance most proposals for constitutional reform. This is the case that could be answered during the present session of Parliament, when there will be at least two important votes on electoral reform, which is a necessary part of a broader constitutional reform. In both cases the attitude of the Conservative leader could turn the scales, either way.

It should be made clear at once that Parliament is not considering a change in the method of electing MPs to the House of Commons, although it is true that if one of the reformers' preferred systems was adopted for Scotland or Strathgairn, the precedent would be to bolster the argument of those who want reform at Westminster.

Hint

Mrs Thatcher's opposition to even the merest hint of any system other than the first-past-the-post one used for Westminster seems to be based on the notion that "you can't trust the Liberals"—by which is meant her view that in a hung Parliament (presumably produced by a proportional representation) the Liberals might not join with the Conservatives. The present Lib-Lab arrangement certainly gives strength to her suspicions.

This view is only sustainable, however, if one believes (a) that the Conservatives will win the next election with an overall majority and (b) that no future election will be won outright by a Left-inclined Labour Party. If either of these propositions is untrue then it does not matter whether the Conservatives whether they trust the Liberals or not—they will have nobody else to rely on to stop the forward advance of the neo-Marxist collectivism which so depresses, if Mrs. Thatcher has breadth of vision she will at least see that actions to-day that allow

Consequences

The consequences of such a decision could be interesting. On Scotland and Wales there is at present no real chance of a majority in favour of PR—but the House of Lords, with the support of Conservative peers, will almost certainly throw the Bill back with PR written in. On the European Election Bill the calculations are more narrow. According to the Campaign for Electoral Reform, 229 MPs intend to support PR for Strathgairn, 221 are against, there are 28 Don't knows and 151 have not yet been contacted. Unless the majority against" was exceeded, the narrow Lords would probably not interfere with this bill (since to do so would delay the election to the European Parliament); therefore if PR is to win it must do so in the Commons.

Many of those 179 "don't know" are senior members of the main parties. The Prime Minister is likely to indicate his own inclination to vote for PR, and those of his ministers who are deeply opposed may be expected to abstain. On the Conservative side much depends on Mrs. Thatcher—many would vote "yes" if it did not seem that her face was set like flint against it.

So it turns out that with just a flick of her eyebrow she could ensure that there will be a British election for the European Parliament next year, by allowing the PR system for this first occasion that everyone knows will have to come anyway for subsequent elections. Such a concession would certainly give encouragement to those who want PR at Westminster. If it would do no more than that for Mrs. Thatcher, the price would be low indeed when set against the return: a gradual, spreading acknowledgment that she has a mind that can comprehend the possibility of future constitutional change. That is the kind of mind that indicates the brilliant strategist. Does Mrs. Thatcher have it?

The wit and wisdom of Fred Streeter

HOW MUCH DO YOU miss old Fred Streeter at this time of year? Very much indeed, according to two readers who write to say that he was the only gardener who could encourage them into doing rather more than they wanted in the months of November and December. Since those hardy believers in tips, they are quite certain that there is a body of insiders' knowledge, a special circular called Horticulturalists' White Tass, which would tell the truth behind the elzowm and give them the bare facts about the cost of bedding out.

Frank Fleming, a fellow-worker with Fred, is said to detest the purty's smell. Of course Fred also claimed that it bogged down their movements and that their feet would stick onto it. But I never understood why an earwig would enter a young chrysalis by shinning up its bamboo cane. Whatever the truth the tip has not been refuted. There are serious growers of chrysalis for the florists' market who picked

wigs are said to detest the purty's smell. Of course Fred also claimed that it bogged down their movements and that their feet would stick onto it. But I never understood why an earwig would enter a young chrysalis by shinning up its bamboo cane. Whatever the truth the tip has not been refuted. There are serious growers of chrysalis for the florists' market who picked

inches above the tuber, rather than leave the tubers bare of all top growth. It was Fred who first warned that winter would be in olive-green leaves among branches of parent trees. Sometimes, belief was pended. Money fungus, the curse of all growers, and shrubs, usually fatal to most part-time gardeners, realised that it had taken Fred Streeter's word that it could be diverted, ally from his much rhododendrons.

All you had to do, you was to strip pieces of bark another tree and lay the honey fungus had struck. But if Fred was right, could not be fussy about—then in those well tested as far as old Fred's tips know you people, some doubt them, but "coor in one's a topper".

ward the end of Sept where he lost ground from fully three-quarters mile from home. Socket, Premier Chase on October 26, Levaramos in the Landsdown when he bids to go, one left him with a lot to do in better at Kempton this afternoon.

GARDENS TO-DAY

BY ROBIN LANE FOX

it up and still stand by it. How to do this if there is time in your garden soil, enough time, say, to grow excellent onions? Nothing so academic as a piece of litmus-paper attracted Fred Streeter. He would suggest that you should drip a few drops of vinegar on the kitchen vinegar-bottle and watch whether they bubbled when they touched the soil. If they bubbled, the soil had plenty

about lifting the dahlias. For several winters in a row, I had lost almost a quarter of the dahlia tubers which I used to lift. They seemed to die from mould. The shed was dry, other plants survive there and so I resigned myself to the annoying yearly loss. I lift the tubers, job which should be done this week before the frosts become severe. I cut the stems down about 6

inches above the tuber, rather than leave the tubers bare of all top growth. It was Fred who first warned that winter would be in olive-green leaves among branches of parent trees. Sometimes, belief was pended. Money fungus, the curse of all growers, and shrubs, usually fatal to most part-time gardeners, realised that it had taken Fred Streeter's word that it could be diverted, ally from his much rhododendrons.

ward the end of Sept where he lost ground from fully three-quarters mile from home. Socket, Premier Chase on October 26, Levaramos in the Landsdown when he bids to go, one left him with a lot to do in better at Kempton this afternoon.

Record £180,000 for 15th century German block-book

A 15TH CENTURY German block-book, Apocalypsis Sancti Johannis, which was produced before 1470, sold at Sotheby's yesterday for £180,000 (plus the 10 per cent. buyer's commission). This is the highest price ever paid at Sotheby's for a printed book. The buyer was the New York dealer H. P. Kraus.

Other notable prices yesterday were the £38,000, around three times the forecast, paid by Das Bucher Cabinet, a Hamburg dealer, for a book on Saint Birgitta, published in Lubbeck in 1492; the £18,000 from the London dealer Goldschmidt for the first Latin edition of the Travels of Marco Polo, printed in Gouda around 1494; £15,000 from Quartich for the first book printed in Lausanne, a Missal of 1493; and £12,000 from Jarlich again for the first book printed in Geneva, "Le Livre des Saints Anges."



Page of the Apocalypse.

Socket and The Dealer can land the double

IN THE belief that The Dealer, highly-rated young hurdler who may just have been in need of Ratchourath. Any improvement on his outing when going down to Killybegs in Ascot's Embassy second-placed effort behind Premier Chase on October 26, Levaramos in the Landsdown when he bids to go, one left him with a lot to do in better at Kempton this afternoon.

The Dealer, among the runners for the two-and-a-half-mile Flyover Novices Chase, looked set to justify heavy support at Ascot when sent up to challenge Killybegs approaching the final furlong.

However, in spite of a fine jump he could not find more than a running on of steam, had to be content with the unimpressive up's spot as Killybegs—with the benefit of a previous run—forged on. The Dealer, certain to be all the better for the outing—it was his first run in public since he gained a 12-length victory over Killybegs at Ascot in the spring—looks a high-class chaser in the making, and it will be more than a little surprising if he fails to prove beyond him.

RACING

BY DOMINIC WIGAN

However, in spite of a fine jump he could not find more than a running on of steam, had to be content with the unimpressive up's spot as Killybegs—with the benefit of a previous run—forged on. The Dealer, certain to be all the better for the outing—it was his first run in public since he gained a 12-length victory over Killybegs at Ascot in the spring—looks a high-class chaser in the making, and it will be more than a little surprising if he fails to prove beyond him.

A second odds-on prospect for Winter and Franconie who should, barring accidents, win Gay God in a weakly contested with a fair bit in hand is that he should be a good one.

There the Lowest-rated year-old was in touch for of the race, only fading in the final two furlongs to Sub behind Party Line. Now I somewhere near his best, seems sure to take a good of beating. He is narrow ferred to the likely fav Harry Hotspur.

SALEROOM

BY ANTONY THORNCROFT

bourne Library have far exceeded the estimates. The block-book, with 48 leaves, was printed with each page made from one solid block of wood, carved with pictures and captions. All told the Broxbourne Library, collected by the late Albert Ebrman and designed to illustrate the growth of printing, brought £1,300,000 over two days, with every lot sold. A second and final section will be auctioned next year.

The Sotheby's wine sale brought in £39,727, with a German dealer paying £35 for some Glenlivet whisky which had been lost in a shipwreck in 1883 and was only recovered in 1973. There was a record £1,500 paid at Christie's yesterday for a stoneware rectangular bottle-vase by Bernard Leach. The vase, which has the artist's monogram and St. Ives pottery mark, was bought by a Japanese dealer, Saita. The sale of art nouveau, art deco and studio pottery made a total of £22,537.

There was also a sale of objects of virtue which totalled £39,798. A Russian small gilt and enamel kovsh by Carl Fabergé sold for £1,300 to Wartski, and the same buyer paid £1,600 for a Fabergé gold mounted enamel photograph frame. An early 18th century enamelled and gold agate seal realised £1,350 to S. J. Phillips, and an early 18th century circular gold-mounted enamel snuff-box, painted with the Judgment of Paris, £900, to Graus.

The Christie's coin sale totalled £69,686, with a top price of £3,400 paid by Stanley Gibbons for a gold coin of the Emperor Diocletian. A gold coin of his successor Constantius fetched £1,600 to an Achiprian

TV Radio

BBC 1 Cinder, 5.35 Noah and Nelly in Skylark, 5.40 News, 5.55 Nationwide (London and South-East only), 6.20 Nationwide, 6.55 "True Grit," starring John Wayne, 9.00 News, 9.25 Last of the Summer Wine, 9.55 Sportsnight, 10.45 Tonight, 11.25 Weather/Regional News, All Regions as BBC1 except at the following times:— Wales—2.18-2.23 p.m. For

Schools, Ffeneistri (S) Mulod, 5.10-5.35 Biliudowar, 5.55-6.20 Wales To-day, 6.55 Heddiw, 7.20, 9.00 "The Wreck of the Mary Deare," 10.45 Wales and the Gulliont, 11.05 Y Mestres Gulliont, 11.25 News and Weather for Wales, Scotland—11.0-11.20 a.m. and 1.18-2.38 p.m. For Schools, 5.52-6.20 Reporting Scotland, 9.55 Lilybank, 10.45 Sportsnight, 11.25 News and Weather for Scotland, Northern Ireland—5.53-5.55 p.m. Northern Ireland News, 5.5-6.20 Scena Around Six, 9.25-9.55 Spotlight on Northern Ireland affairs, 11.25 World Cup Soccer Special Northern Ireland v. Belgium, 12.10 a.m. News and Weather for Northern Ireland, England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Harrogate, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

index, 1.20 Help!, 1.30 Crown Court, 2.00 After Noon, 2.25 Family, 3.20 Heart to Heart, 3.50 The Sullivan, 4.20 Magic Circle, 4.45 Midnight is a Place, 5.15 A Gentleman's Game, 5.40 Farm, 5.45 News, 6.00 News at 6, 6.30 Thames at 6, 7.00 Coronation Street, 7.30 World Cup Football: England v. West Indies, 8.00 News, 8.45 The Krypton Factor, 10.15 News, 10.45 "The Statue," starring David Niven, 11.45 Marcus Welby MD, 12.20 a.m. Close Patricia Kneale reads a prayer, All IBA Regions as London except at the following times:—

ANGLIA 10.33 a.m. Central, 1.25 p.m. Anglia News, 2.00 Houseparty, 2.25 Teatime, 3.15 Mr and Mrs 6.00 about Anglia, 3.25 a.m. The Six O'Clock, 1.20 p.m. Report West Headlines, 1.25 Report Wales Headlines, 4.00 Houseparty, 2.25 On August 5.25 Dodo the Space Kid, 5.20 Crossroads, 6.00 Report West, 6.15 Report Wales, 6.30 Survival, 10.45 A Gentleman's Game, 11.00 Outcasts, 11.15 "The Statue," starring David Niven, 11.25 p.m. News and Road Report, 2.00 Round-party, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6.25 a.m. News and Road Report, 6.30 North East News and Lookaround, 2.00 News, 2.25 The Practice, 2.55 David Niven's World, 5.15 The Undiscovered Adventure of Captain Nemo, 5.30 Crossroads, 6.00 Scotland Today, 6.30 Report West, 6.45 "The Hill" starring Sean Connery and Ian Hunter, 10.45 Ways and Means Special, 11.15 Late Call, 11.20 Survival Special, 1.20 p.m. Southern News, 2.00 Houseparty, 2.25 The Family, 3.15 The Archers, 3.45 Adventure of Captain Nemo, 4.20 Crossroads, 6.00 Day by Day Wednesday Extra, 6.15 Reports, 6.30 Southern News Extra, 11.15 Inside at Ratchedwood, 6

EUROPEAN NEWS

Brandt warns terrorist Bill rebels

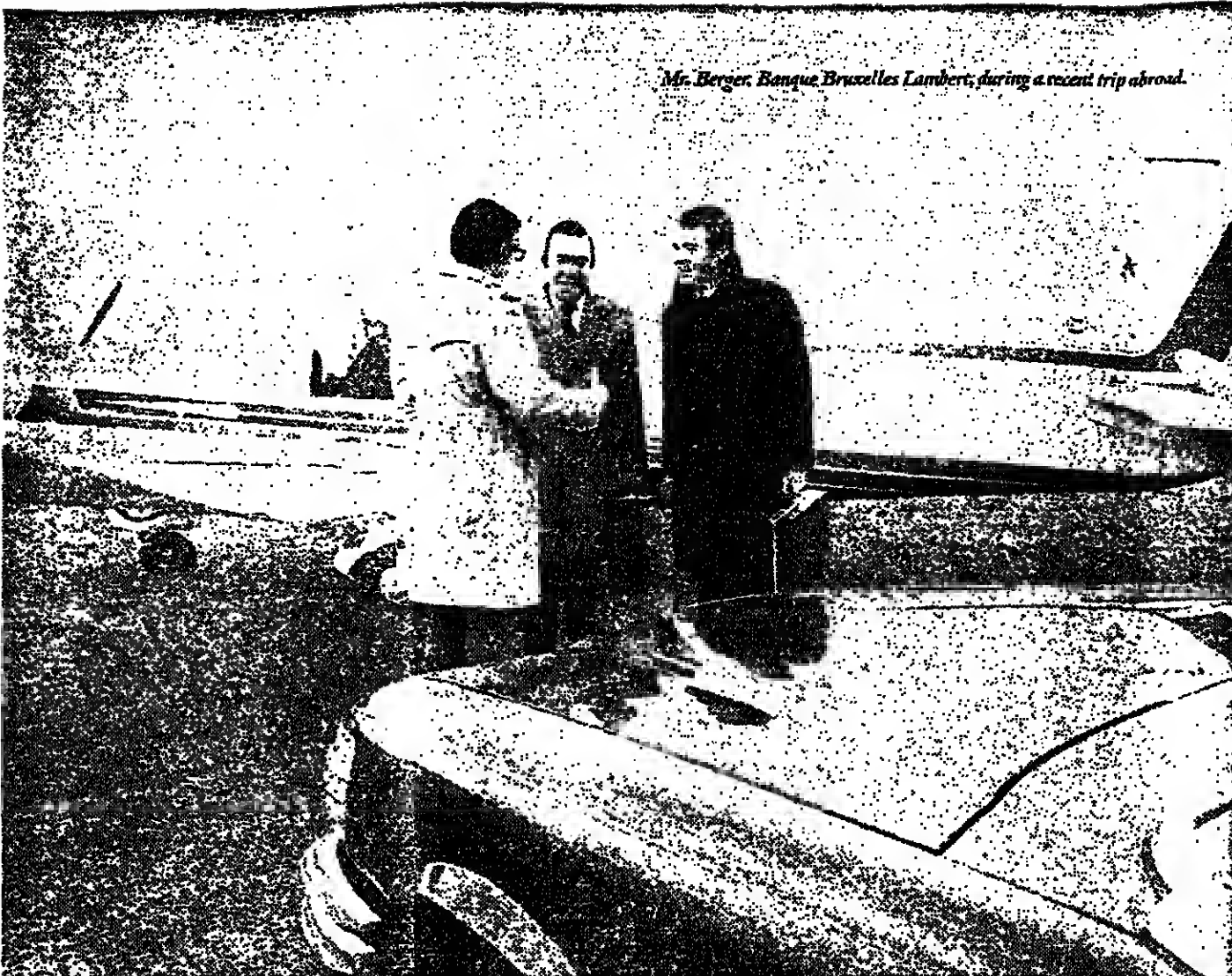
BY ADRIAN DICKS

HERR WILLY Brandt, the former West German Chancellor, appealed today to the Social Democratic Party to remain open to dissent but warned it firmly not to confuse free debate with the basic discipline of parliamentary power.

In his opening address as SPD chairman in the party conference here, Herr Brandt unmistakably warned the handful of deputies who voted against the Government last month in the Bundestag over the terrorist "Isolation Bill" not to repeat their defiance. He was warmly applauded.

Although he acknowledged a deputy's duty towards his own conscience, Herr Brandt said bluntly: "Our voters, through their deputies, elected a Social Democratic-Free Democratic coalition. I believe that none of our deputies would be able to square it with his conscience if he were to pull the ground from under the feet of a Social Democratic Chancellor."

HAMBURG, Nov. 15. Brandt warned the SPD's history of rebellion—though as recently as a few days ago, most of the rebels appeared unrepentant. By times that the party would give the authorities wide discretion to cut off imprisoned dissidents from the outside world, the legislation aims to stop future co-ordination with groups outside, of the sort allegedly carried out in the past through radical defence lawyers, mentalist "green parties" and other "unpleasant" groups.



Mr. Berger, Banque Bruxelles Lambert, during a recent trip abroad.

When you have business abroad, your banker has no business staying home.

International contacts often play hard-to-get.

The competition for them is stiff. And even if you can be competitive in every other area, you won't get the contract without the right financing. Financing that exactly suits your prospective client.

To come up with the right arrangements, you need the right financial advice. No long-distance advice.

You need your banker right there on your side of the table - not on the other end of a telex line.

You need an expert on hand who has creative solutions at his fingertips. Who has the ability and authority to make spur-of-the-moment decisions.

You need your Banque Bruxelles Lambert banker to come up with the right financial engineering.

Our international network is always on hand too.

We don't just offer you 1060 retail branches

in Belgium. But also an international network of subsidiaries, representatives, affiliates, associates, correspondents, and banking communities like SFE and Associated Banks of Europe (ABECOR).

A network that gives you local connections and inside information wherever you do business. As well as giving you the same wide range of financial services as any major international bank.

But what makes us different from all other banks is our individual attention to each client's individual problems: our reluctance to stick to the traditional answers; and our willingness to take a few extra steps for clients.

Even when it means stepping on a single-prop with you.

Banque Bruxelles Lambert the person-to-person bank.

Banque Bruxelles Lambert, The ABECOR bank in Belgium, 24 Avenue Marx, 1050 Bruxelles. Tel. 02/513.81.81. Telex 26392/BBLIN

THE LANGUEDOC WINE INDUSTRY

Grievances and sour grapes

BY JOHN ARDAGH, RECENTLY IN MONTPELLIER

"WITHOUT special rules to protect us, Spain's entry into the EEC will wipe out a large part of the Midi vineyards. The wine is rarely more than 25 per cent of the producer, who thus retains some incentive to go on producing lots of poor, unmarketable wine, knowing that the State will partially underwrite his surplus by buying them cheaply (as it does) for distillation.

Either way, with a little not a separatist. Politically, such a solution is possible, at least until the older generation is dead. The Cathare spirit infuses all of Languedoc life. The Occitan separatist movement is fuelled by the rural discontent and finds some support, too, among intellectuals. Politically, it is not itself of great influence. "Occi, ta'n" is maybe to argue a case for kept—and even the Bery, Maffre-Baugé calls himself a federalist.

But a more general hostility to Paris dominates local politics, so acres find it hard to make a living. And this is not the land State, in a paternalistic way has tried to help the region to break its vulnerable dependence on the wine by bringing in some new industry and tourism. But this help is often resented locally as "neo-colonialism".

An exaggeration?—maybe the paradox is that this foundry conservative and individualistic people is now on the Left, not through Socialist conviction but reaction against Paris-bourgeois leaders are Socialists; all 11 local deputies are on the Left, all major are now Left-Communist Socialists and Communist opponents, as elsewhere, people above all are disillusioned with President Giscard d'Estaing's failure to get things done, and are of their hopes on what the Common Programme, if it gives, has to offer of regional assemblies with financial powers.

But the poorer growers are in an economic trap not entirely of their making. Yet they could do far more to help themselves. A small farmer with 30 or 40 acres in Corsica, since the 1850s, the State, in a paternalistic way has tried to help the region to break its vulnerable dependence on the wine by bringing in some new industry and tourism. But this help is often resented locally as "neo-colonialism".

But a more general hostility to Paris dominates local politics, so acres find it hard to make a living. And this is not the land State, in a paternalistic way has tried to help the region to break its vulnerable dependence on the wine by bringing in some new industry and tourism. But this help is often resented locally as "neo-colonialism".

But a more general hostility to Paris dominates local politics, so acres find it hard to make a living. And this is not the land State, in a paternalistic way has tried to help the region to break its vulnerable dependence on the wine by bringing in some new industry and tourism. But this help is often resented locally as "neo-colonialism".

But a more general hostility to Paris dominates local politics, so acres find it hard to make a living. And this is not the land State, in a paternalistic way has tried to help the region to break its vulnerable dependence on the wine by bringing in some new industry and tourism. But this help is often resented locally as "neo-colonialism".

Advertisement for Avenue Foch, featuring a large '50' and 'Avenue Foch' text. It describes a new development of 50 apartments and town houses, highlighting the location, architecture, and amenities. Includes contact information for the marketing company STGI.

What? The EEC's new labeling regulations are seen as at least a step in the right direction, but the growers are insisting on a more radical harmonisation of controls, prices and social policies before Spain joins; and M. Maffre-Baugé and his friends are ready to use violence once more against what he calls "the strange conspiracy of force of EEC's wine economy".

For obvious domestic reasons, the Government will herken, and is certain to take a firm line with Madrid. But any French Government will also go on trying to persuade the growers, as it has for years, that they must set their own house in order, too.

There is a problem of average complexity. Most hillside vineyards can produce tolerable wines, but on the plains are thousands of acres that should no longer be under vine in a modern economy. Sporadic official campaigns for uprooting have fallen foul of two factors.

First, the average farmer is fanatically opposed to saying goodbye to the crop that his ancestors have grown for centuries. Next, the few pioneers who did agree to uproot and plant apple orchards, soon found they had an equally unsaleable glut on their hands—hardly an encouragement.

So official policy has turned towards urging a replanting with better vines, able to produce classified wines. This has met a mixed response, and 30 per cent of vineyards have been thus upgraded since 1962. But the bizarre economics are such that farmers find this may not increase their income.

Under French rules, the simpler classified grades (VDQS or the new "vin de pays") are limited to outputs of 20 to 30 hectolitres an acre, whereas for

classified vins courants there are no limits and yields can be as high as 60 hectolitres an acre. Yet price differentials are rarely more than 25 per cent for the producer, who thus retains some incentive to go on producing lots of poor, unmarketable wine, knowing that the State will partially underwrite his surplus by buying them cheaply (as it does) for distillation.

Either way, with a little not a separatist. Politically, such a solution is possible, at least until the older generation is dead. The Cathare spirit infuses all of Languedoc life. The Occitan separatist movement is fuelled by the rural discontent and finds some support, too, among intellectuals. Politically, it is not itself of great influence. "Occi, ta'n" is maybe to argue a case for kept—and even the Bery, Maffre-Baugé calls himself a federalist.

What? The EEC's new labeling regulations are seen as at least a step in the right direction, but the growers are insisting on a more radical harmonisation of controls, prices and social policies before Spain joins; and M. Maffre-Baugé and his friends are ready to use violence once more against what he calls "the strange conspiracy of force of EEC's wine economy".

For obvious domestic reasons, the Government will herken, and is certain to take a firm line with Madrid. But any French Government will also go on trying to persuade the growers, as it has for years, that they must set their own house in order, too.

There is a problem of average complexity. Most hillside vineyards can produce tolerable wines, but on the plains are thousands of acres that should no longer be under vine in a modern economy. Sporadic official campaigns for uprooting have fallen foul of two factors.

First, the average farmer is fanatically opposed to saying goodbye to the crop that his ancestors have grown for centuries. Next, the few pioneers who did agree to uproot and plant apple orchards, soon found they had an equally unsaleable glut on their hands—hardly an encouragement.

So official policy has turned towards urging a replanting with better vines, able to produce classified wines. This has met a mixed response, and 30 per cent of vineyards have been thus upgraded since 1962. But the bizarre economics are such that farmers find this may not increase their income.

Under French rules, the simpler classified grades (VDQS or the new "vin de pays") are limited to outputs of 20 to 30 hectolitres an acre, whereas for

classified vins courants there are no limits and yields can be as high as 60 hectolitres an acre. Yet price differentials are rarely more than 25 per cent for the producer, who thus retains some incentive to go on producing lots of poor, unmarketable wine, knowing that the State will partially underwrite his surplus by buying them cheaply (as it does) for distillation.

Either way, with a little not a separatist. Politically, such a solution is possible, at least until the older generation is dead. The Cathare spirit infuses all of Languedoc life. The Occitan separatist movement is fuelled by the rural discontent and finds some support, too, among intellectuals. Politically, it is not itself of great influence. "Occi, ta'n" is maybe to argue a case for kept—and even the Bery, Maffre-Baugé calls himself a federalist.

Charter Consolidated Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR HALF YEAR TO 30 SEPTEMBER 1977 (unaudited)

Table with 4 columns: Item, Half-year to 30.9.77 (£000), Half-year to 30.9.76 (£000), Year to 30.9.76 (£000). Rows include Income from investments, Surplus on realisations of investments, Trading profit, Deduct: Administration and technical expenditure, Profit before taxation, Taxation, Profit after taxation, Attributable to Charter, Earnings per share, and Interim dividend of 3.025p per share.

NOTES: Surplus on realisations of investments for the half-year to 30 September 1978 has been restated to reflect the currency loss of £864,000, at that date, on the conversion into sterling of foreign currency loans financing portfolio investments. This treatment follows the change in the accounting policy adopted as at 31 March 1977.

MK REFRIGERATION The offer by Charter to acquire, for a total cash consideration of £12.7 million, the whole of the issued share capital of MK Refrigeration Limited has been accepted by the holders of approximately 88 per cent of the shares, and Charter is in process of acquiring the remainder in accordance with the Companies Act. MK Refrigeration is now a subsidiary of Charter. Results from 5 August 1977, the effective date of the acquisition, to 31 December 1977 will be consolidated in Charter's accounts to 31 March 1978.

INTERIM DIVIDEND The directors have declared an interim dividend of 3.025p per share payable on or about 5 January 1978 to shareholders registered at the close of business on 9 December 1977 and to persons presenting coupon no. 25 detached from share warrants to bearer. The dividend will carry a tax credit of 1.55625p per share.

15 November 1977

مكتبة من التحصيل

EUROPEAN NEWS

Europe ready to thwart new South African arms law

DAVID SUCHAN STRASBURG, Nov. 15.

EEC will take action if the Organisation of Economic Co-operation and Development... The EEC maintains that the only puppets of the white South African Government...

CALL FOR EEC MOVE AGAINST TERRORISM Tougher Italian line on violence

BY PAUL BETTS ROME, Nov. 15.

THE ITALIAN Interior Minister, Sig. Francesco Cossiga, today pressed for the adoption of concerted measures by European Community countries to combat terrorism... However, he called for closer collaboration between political parties...

Soares seeks consensus

BY DIANA SMITH LISBON, Nov. 15.

PORTUGAL'S minority socialist cabinet is having a special meeting today to put the finishing touches on a document... This document will be the basis of negotiations for a common policy with the opposition...

Spanish fishermen seized off W. Sahara

MADRID, Nov. 15.

A SPANISH warship patrolled waters off Western Sahara today to protect Spanish fishing boats after a mortar and machine-gun attack on a trawler... The attack was staged by three frogmen in an unmarked high-speed launch...

Boumedienne attacks build-up of French forces in Mauritania

BY ERENE FURNESS ALGIERS, Nov. 15.

ALGERIA will continue to support Saharan self-determination, President Houari Boumedienne said in a speech to the national assembly... The Algerian President said he would exercise the right of pursuit if guerrillas crossed his frontiers again from their base in Algeria...

EC to test solar energy

GUY DE JONQUIERES BRUSSELS, Nov. 15.

START of construction solar power. It is estimated that on the world's first electricity-generating solar power station... The machine will be based on the "lower" principle using mirrors with a total surface area of 7,000 square metres...

IMF negotiators leave Ankara

OUR OWN CORRESPONDENT ISTANBUL, Nov. 15.

INTERNATIONAL Monetary Fund negotiators have been made by IMF officials... The IMF is said to be willing to provide Turkey with an immediate loan of \$110m, plus a further \$200-200m...



Alan H. Ulrick—Vice President, Manager, Foreign Exchange Trading, London

The relationship bank that leads in foreign exchange dealing.

However large multinational corporations or national companies may be, they are still very vulnerable to foreign exchange risks... Chase has the experience and the track record to show how these risks can be minimized... Chase foreign exchange experts can advise on how to deal with the latest accounting standards...

Begin your "Common Marketing" in Germany. Start in the South. The South is economically the fastest growing region of the Federal Republic... Süddeutsche Zeitung member of TEAM—Top European Advertising Media... do more business in Germany; please contact our exclusive representatives...

CHASE logo and address information: Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD. France: 41 rue Cambon, Paris 75001. Germany: Tautusanlage 11, 6 Frankfurt/Main 1...

AMERICAN NEWS

CHILE UNDER PINOCHET

Economic balancing act

BY HUGH O'SHAUGHNESSY, RECENTLY IN SANTIAGO

SOME DAY there will be an economic boom of modest proportions in Chile. But it is safe to predict that it will not come for a few years yet. Outwardly, the capital Santiago already bears some of the marks of a boom town. For the first time in many years the shops are crammed with imported consumer goods of every description.

The policies followed by the junta since the 1973 coup have achieved a substantial redistribution of wealth from the middle and lower sectors of society to the more affluent ones.

to be done to integrate the Chilean economy more perfectly into the world economy. It argues that it must dismantle the machinery erected by the Left-wing Allende Government and many of its predecessors which aimed to make Chile economically self-sufficient.

In the domestic sector it is not just Government machinery that is being dismantled, it is real machinery as well. The policies followed by the junta since the 1973 coup have achieved a substantial redistribution of wealth from the middle and lower sectors of society to the more affluent ones.

The future could be in the price of copper is as the most volatile on the national exchanges and a takeover of an open-pit mine would allow the country to export more copper than it has ever done before.

But such a boom is unlikely to come about next year and Chileans are looking for another hard summer.

This is the second of articles by Hugh O'Shaughnessy on Chile. The first appeared yesterday's paper and dealt with internal and external pressures on General Pinochet.

Pitney Bowes forming European subsidiary

FINANCIAL TIMES REPORTER

PITNEY BOWES, the U.S. business equipment and retail systems concern, is to form a retail systems subsidiary—Pitney Bowes Marketing Systems—part of its plan to expand its European market for price-marking systems.

The new company will become operational in January, will operate in the U.K. and Germany, and will coordinate marketing systems divisions in several other European subsidiaries of Pitney Bowes.

Mr. Timothy J. Gilligan, Pitney Bowes vice-president European operations, said in London. "Our studies show that European markets are ripe for price-marking systems. Our efforts reflect our intention to take full advantage of the potential for our retail systems line of business here, which is almost equal to the market for such products in the U.S."

Guyana planning

The Guyana Government tabled a bill for the setting up of a state planning commission in Guyana. The commission will be headed by the Minister and will have powers to obtain information from any person in details of the commission's work. The bill will be debated on Thursday and is guaranteed passage by the Government's overwhelming majority.

Violence in Washington as Carter greets Shah

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Nov. 15.

THE WHIFF of tear gas wafted over the White House lawns this morning, and the streets outside erupted in nasty fighting, as President Carter welcomed the Shah of Iran on his two-day visit to Washington.

The President, blinking back tears, tried to make light of the incidents going on barely 200 yards away, apologizing to the Shah for "our temporary air pollution problem."

But the street fighting between several thousand opponents and supporters of the Iranian monarch was far from humorous, as the police tried, in vain for a time, to keep the opposing factions apart.

The worst violence occurred on the Ellipse, immediately to the south of the White House and directly overlooking the welcoming ceremony. By arrangement with the local authorities the best vantage point had been given to the Shah's supporters, who rather outnumbered the other side.

A smaller group of mostly younger, mostly masked anti-Shah demonstrators was about 150 yards to the east, kept apart in the critical early stages, by a handful of mounted policemen.

As guns roared in salute as the Shah arrived by limousine and through a side door, and not by helicopter as planned, this group began throwing sticks, stones and their placards at the police horses.

Beaten back, but before police reinforcements could arrive, they suddenly swept south over the grass of the Ellipse, bowling over the meagre police forces which blocked their way and changing into the ranks of the whom had been fow, hussed and driven into Washington from many parts of the country in a clearly well-financed attempt to counter the other side.

Pitched and unpleasant fighting broke out. The grandstand was wrecked, the large banner torn down, and the police let loose several tear gas canisters, dispersing the milling mob over the expanse of the Ellipse.

While the police continued to display considerable restraint—arresting some people but generally more concerned with rescuing their own beleaguered colleges and separating those fighting there were scenes of mass confusion. Many of the Shah's supporters had come in families, women and children could be seen weeping from the gas, trying to regroup. Several injuries—mostly head wounds and some

serious, according to the authorities—were incurred.

In front of the White House, where opponents of the Shah outnumbered supporters, a brief assault was made by the former, but more easily contained by the authorities.

As the morning dragged on, effigies of the Shah were burned in Lafayette Square, just across Pennsylvania Avenue from the White House, and anti-Shah chants in English and Farsi, blared out over loudspeakers in a volume that must have carried into the room where the two heads of state were conferring.

This amounted to the worst outbreak of violence in Washington since the height of the anti-Vietnam war movement seven years ago. Further incidents over the next 36 hours seem likely, given the intensity of feelings in the Iranian community in the U.S. that the visit of the Shah has aroused.

The incidents to-day completely overshadowed the welcoming ceremonies, in which Mr. Carter said "the growth of Iran into a position of world leadership has been remarkable."

The Shah—who said in a television interview last night that he was "pleased" to be in the U.S. that the visit of the Shah has aroused.

U.S. drug majors 'selling lies'

BY DAVID BELL

WASHINGTON, Nov. 15.

LEADING U.S. drug companies have again come under attack in the Senate, this time because of the tactics that some of them use to persuade consumers to buy brand-name drugs rather than the much cheaper

"generic" equivalents. Senator Gaylord Nelson, whose select committee on small business held hearings on the subject yesterday, said it was outrageous that drug companies "are lying to the public, which

is spending hundreds of millions of dollars for brand-name products." He said: "For 20 years, the large brand-name drug firms have spent billions of dollars in advertising and promotion trying to convince doctors and the public that brand-name drugs are in some indefinable mysterious way superior to the same products sold under their official or generic name, and that only these brand-name firms have the esoteric and unobtainable secret of good manufacturing practices."

End to Boeing strike near

BY STEWART FLEMING

NEW YORK, Nov. 15.

A TENTATIVE settlement has been reached in the six-week strike which has made idle 24,000 workers (one-third of the labour force) at plants operated by aerospace manufacturer Boeing.

Details of the proposed settlement have not been released, but company spokesmen have expressed satisfaction that a tentative settlement has been agreed to deteriorate. The company had managed to keep production going by using supervisory and non-striking employees.

at a meeting which the International Association of Machinists and Aerospace Workers has called for Thursday.

The prospect of a settlement comes amid rising fears that the strike would begin seriously to affect production. It seems that, during October, there was some short-fall in scheduled deliveries and the position was expected to deteriorate. The company had managed to keep production going by using supervisory and non-striking employees.

GALERIE KOLLER advertisement featuring a floral illustration and text about jewelry sales by auction on November 17th through December 3rd.

Increase in Canadian price index

By Victor Mackie

OTTAWA, Nov. 15. THE Canadian consumer price index rose by 1 per cent, from 163.4 in September to 166.0 in October. As a result, the increase between October, 1978, and October, 1979, was 8.2 per cent. This is the largest jump in the index since 1973.

Higher ownership charges—mainly attributable to the increase in annual residential property taxes and a 1.4 per cent rise in the food index—accounted for two-fifths of this latest advance. Higher clothing prices also had a notable impact on this increase.

Between September and October, the index for all items, excluding food, advanced by 0.8 per cent. Economic growth of less than 3 per cent is predicted for 1980 in the 10 Canadian provinces.

In the latest quarterly provincial forecast issued today by the Conference Board of Canada, an independent, non-profit research organisation supported by business, the federal government and organised labour, in 1978, the Board predicts, as a result of a modest recovery in the national economy, five provinces should achieve growth of 5 per cent, or more in real output.

The two westernmost provinces are expected to turn in the best economic performances in 1979, and Alberta should outpace the other nine provinces again in 1979. The economy of British Columbia is expected to grow next year at a pace slightly exceeding the national average.

The economic performance of Ontario has been weaker this year than expected, and real output growth in the provincial economy is currently forecast to be below the national average.

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatres, operas, and ballets with showtimes and ticket prices.

UTA - The long distance French Airline advertisement featuring an illustration of a woman and text about flight services.

Large vertical advertisement for GALERIE KOLLER, featuring the brand name in large stylized letters.

OVERSEAS NEWS

Russia responds to Somali snub

MOSCOW, Nov. 15.

SOVIET UNION has begun supplying military aid to Somalia's expelled regime of Lieut-Col. Mengistu... The U.S., Britain and France expressed willingness to supply Somalia with defensive weapons...

Kaunda call for African uranium enrichment

LUSAKA, Nov. 15.

ZAMBIAN PRESIDENT Kenneth Kaunda today urged the creation of an Organisation of African Unity (OAU) uranium enrichment plant... "We trust the time must come when those traces of uranium in South Africa will also come under the larger umbrella and be controlled by one scientific Africa working in perfect harmony," he said.

U.S. officials, reports DAVID BELL from Washington, are worried about a possible end to Arab unity

Begin, Sadat and the prospects for peace



Assad, Begin, Sadat

THE SUDDEN apparent outbreak of friendship between President Sadat of Egypt and Mr. Meoahem Begin, the Israeli Prime Minister, has received a cautious welcome here among officials who have become inured in false starts after nine months of intricate Middle East negotiations.

also some suspicion of Israeli motives. The Carter administration believes that its greatest "success" so far has been to persuade the Israelis to accept a unified Arab delegation at Geneva with Palestinian participation. But the Israelis have always feared that Geneva could turn into a unified "onslaught" by the Arabs on them and have been holding out for clear agreement that the Geneva negotiations should be "one to one."

Moscow loses a strategic foothold

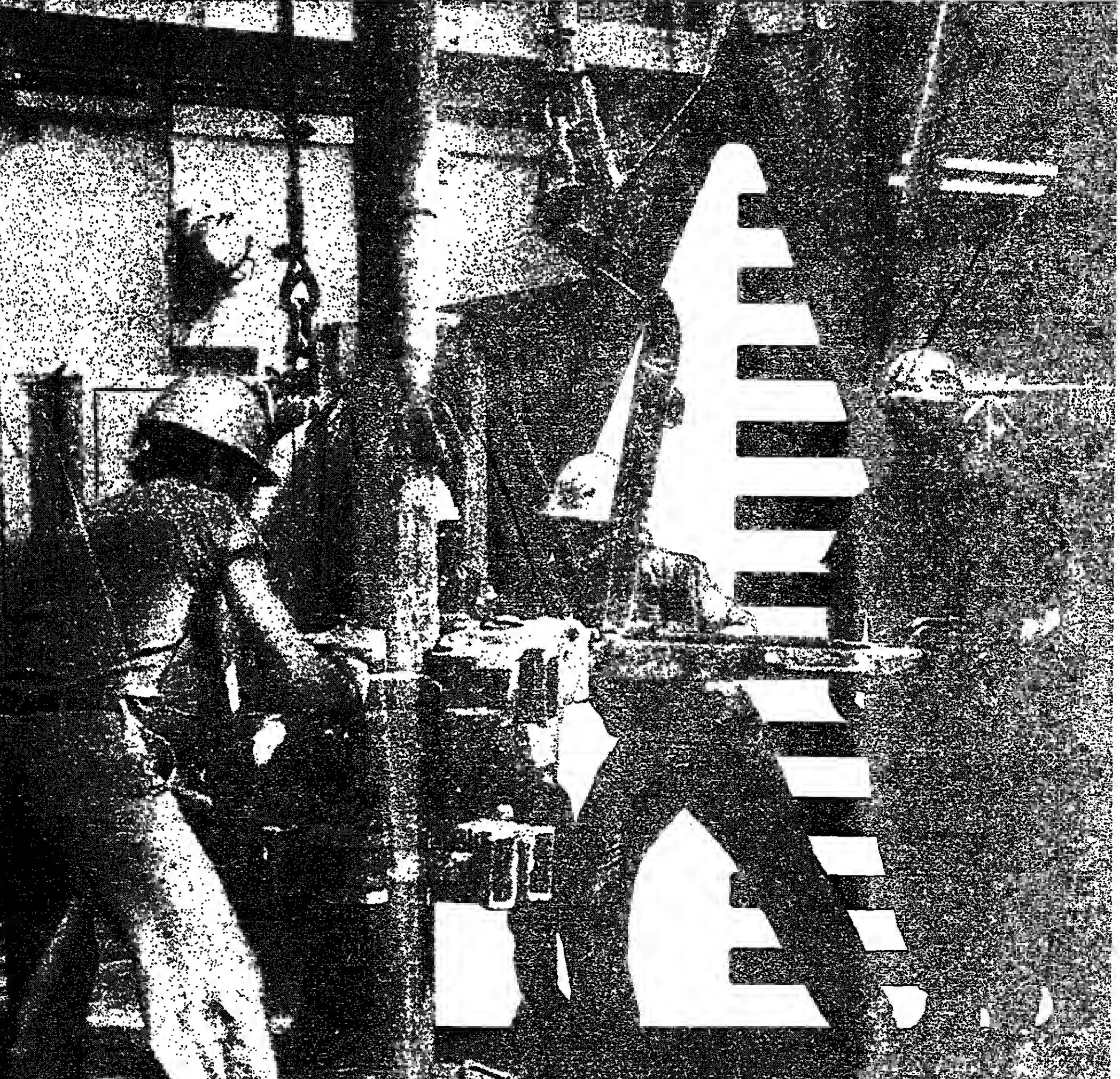
DAVID SATTER MOSCOW, Nov. 15.

Small decision to renounce Soviet-Somali friendship and expel Soviet advisers a drastic step which the Soviets hoped they would be able to take without any loss of their strategic position in the Horn of Africa... The abrogation of the Soviet-Somali friendship Treaty, the Soviets certainly will lose their bases and missile facilities at terms of previous agreements.

EVE BIKO INQUEST: Police chief modifies count of injuries

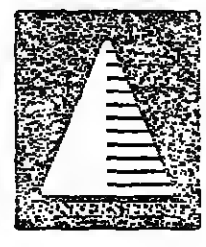
QUENTIN PEEL PRETORIA, Nov. 15.

EVE BIKO, the South African Black activist who died in detention two months ago, was of trying to set up a revolutionary front with other organisations... The incidents are alleged to have occurred when Mr. Biko threw a chair at Major Snyman during interrogation, and had to be subdued by five security policemen.



In the North Sea Bankers Trust provides the energy specialists and the financial muscle.

The Bankers Trust Pyramid is well known in the North Sea. Not only is it the symbol of a transnational bank of considerable weight, but of a group of bankers whose financial expertise is more than equal to the formidable needs of those who plan, explore and develop European energy interests.



TELEX £30 P.A. 24-hour telex service... BRITISH MONOMARKS... ON OTHER PAGES: International Company News: Philips and Akzo forecasts... 34-35 BMW third quarter... Farming and Raw Materials: New Zealand seeks higher lamb prices... 37

Headquarters: New York. In the United Kingdom, branches in London and Birmingham and a representative office in Manchester. Other branches: Milan, Paris, Tokyo, Singapore, Hong Kong and Panama City. An International Banking Network of branches, subsidiaries, affiliates and representative offices in over 60 countries on all continents.

WORLD TRADE NEWS

VFW-Fokker Romania deal at risk

BY JONATHAN CARR

THE TROUBLES of the West German-Dutch aerospace concern VFW-Fokker are seriously threatening the co-operation agreement which the company and Romania signed only in July after years of talks.

The Romanians have let it be known that they will not start construction of the VFW-614 short-haul passenger jet in their own country, as the accord foresees, if VFW-Fokker has to halt its production of the aircraft in Germany.

Under the co-operation accord, a joint company (55 per cent Romanian, 45 per cent VFW-Fokker) was to be set up with seat in Bucharest. A total of 30 VFW-614s were to be built locally primarily with parts brought in from Germany.

In Bonn, consideration is being given to providing more work in the military sphere for VFW-Fokker, thus taking up at least some of the slack. One conceivable project would be further production of the C-160 Transall transport.

Australian power plant contracts

The State Electricity Commission of Victoria has let three contracts totalling \$A224m for the SA1.6bn Loy Yang power station complex, our Sydney Correspondent reports.

Japan considers us of official reserves for import financing

THE Finance Ministry is looking into the possibility of depositing part of Japan's official external reserves with the Export-Import Bank of Japan for use in promoting imports, Ministry sources said.

Hong Kong lifts exports by 7%

HONG KONG'S domestic exports in the first nine months of this year amounted to \$HK25.4bn (about \$3bn) up 6.9 per cent over the corresponding period last year, the Census and Statistics Department reports.

Deals worth \$1.3bn. placed by Saudis

Financial Times Reporter SAUDI ARABIA has awarded contracts worth a total of \$1.3bn. for the construction of desalination and electric power plants and related equipment at Jubail, Jeddah, al-Wah and Dhahran.

Pilkington in Nigeria

Pilkington Brothers plans to build a \$10m safety glass factory at Ibadan, Nigeria to supply the Nigerian motor industry. Construction is scheduled to start early in 1978.

Diamonds boost Israel trade

ISRAEL'S EXPORTS continued to rise sharply during October—the month before the floating of the Israeli pound—to reach a net value of \$272m, a jump of 42.4 per cent over the same month of 1976.

Ships for Sudan

Yugoslavia is to build six more ships for Sudan worth \$78m. The ships, with a total tonnage of 74,000, will be delivered to Sudan during 1978.

EEC and S. Korea near agreement on textiles

THE EUROPEAN COMMUNITY proposed to reduce this year's quota for South Korea to 68,000 tons before deciding on a bilateral textile accord and the possibility of an EEC proposal as unrealistic and unacceptable.

Switzerland in surplus

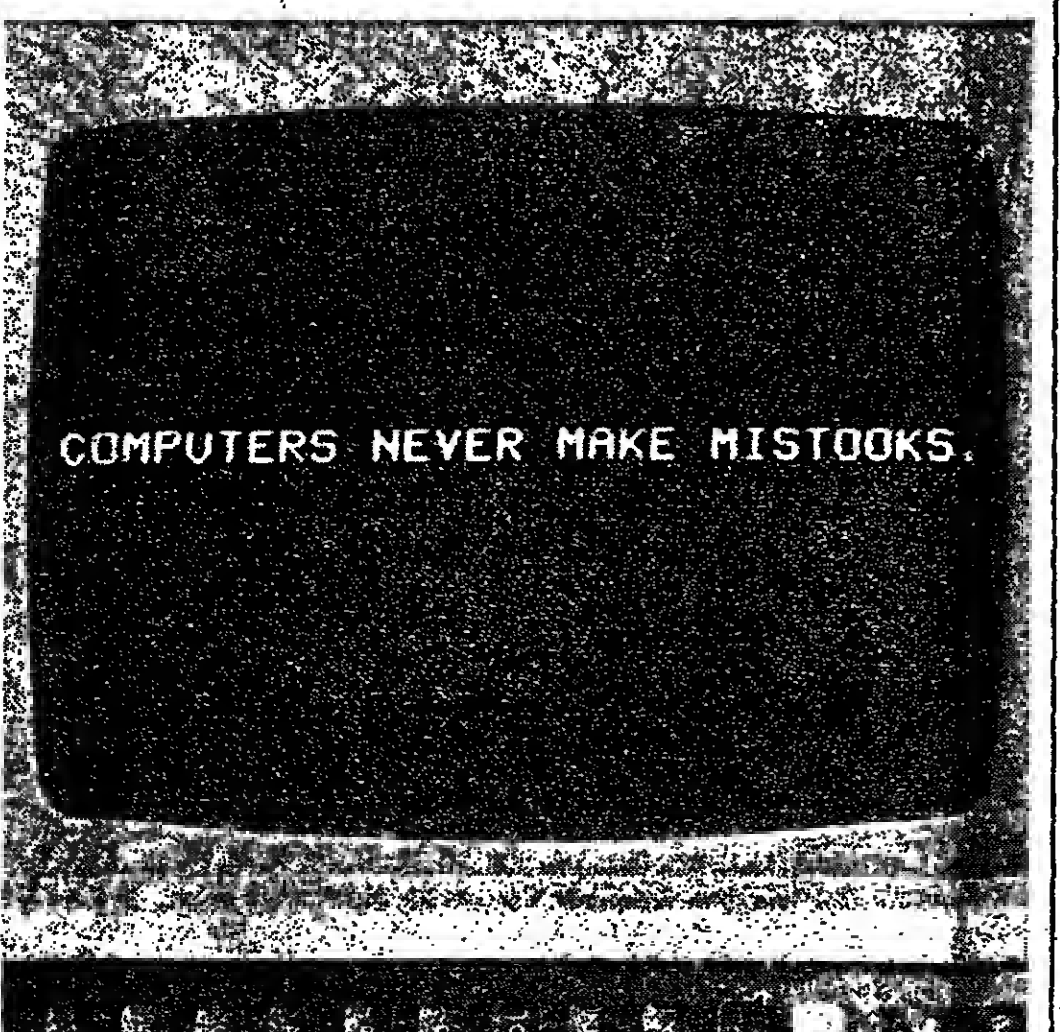
BERNE, Nov. 15. SWITZERLAND HAD a trade surplus of Sw.Frs.7.5m. (\$1.5m.) in October after a deficit of Sw.Frs.30m. in September and a surplus of Sw.Frs.294m. in October last year.

Italian-Soviet deal nears

ROME, Nov. 15. THE Italian Foreign Trade Minister, Sig. Rinaldo Ossola, is due to visit Moscow early next week where negotiations for a new \$650m. Italian export-credit line to the Soviet Union are expected to be finalised.

UTAFAR EAST

Yes, UTA flies to places other airlines have never heard of. Contact your ABTA Travel Agent or UTA French Airlines.



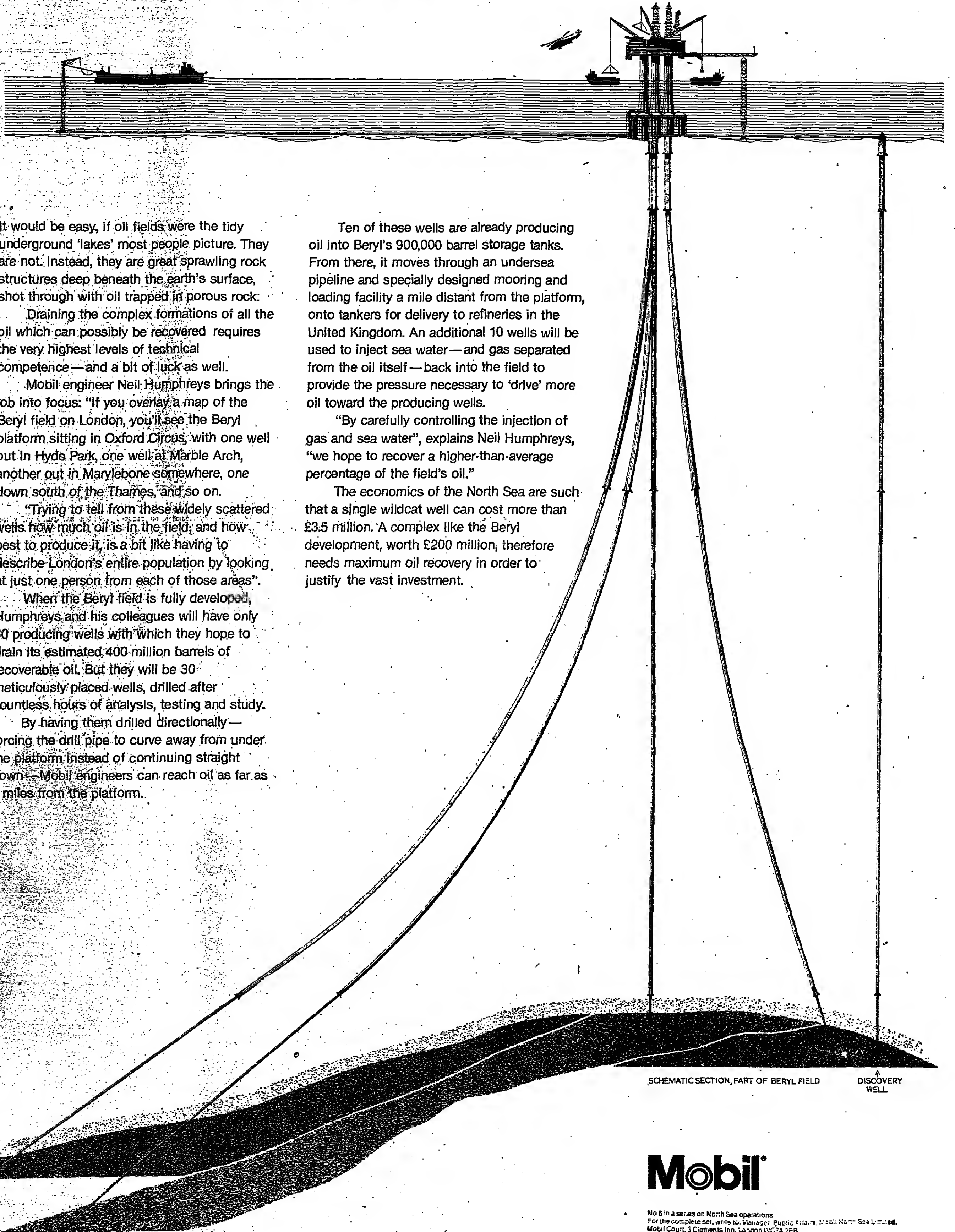
Perhaps, But the systems analyst, the programmer, and the computer operator are only human. And if they make a mistake it can be expensive.

IF YOU'RE AN EXPORTER OCL WILL TAKE YOU PLACES.

Advertisement for Overseas Containers Limited (OCL) featuring images of shipping containers and text describing their international trade services.

مكاتبنا الأصيل

Imagine this drawing 1½ miles wide and two miles deep.



SCHEMATIC SECTION, PART OF BERYL FIELD

DISCOVERY WELL

It would be easy, if oil fields were the tidy underground 'lakes' most people picture. They are not. Instead, they are great sprawling rock structures deep beneath the earth's surface, shot through with oil trapped in porous rock.

Draining the complex formations of all the oil which can possibly be recovered requires the very highest levels of technical competence—and a bit of luck as well.

Mobil engineer Neil Humphreys brings the job into focus: "If you overlay a map of the Beryl field on London, you'll see the Beryl platform sitting in Oxford Circus, with one well out in Hyde Park, one well at Marble Arch, another out in Marylebone somewhere, one down south of the Thames, and so on.

"Trying to tell from these widely scattered wells how much oil is in the field, and how best to produce it, is a bit like having to describe London's entire population by looking at just one person from each of those areas".

When the Beryl field is fully developed, Humphreys and his colleagues will have only 30 producing wells with which they hope to drain its estimated 400 million barrels of recoverable oil. But they will be 30 meticulously placed wells, drilled after countless hours of analysis, testing and study.

By having them drilled directionally—forcing the drill pipe to curve away from under the platform instead of continuing straight down—Mobil engineers can reach oil as far as 2 miles from the platform.

Ten of these wells are already producing oil into Beryl's 900,000 barrel storage tanks. From there, it moves through an undersea pipeline and specially designed mooring and loading facility a mile distant from the platform, onto tankers for delivery to refineries in the United Kingdom. An additional 10 wells will be used to inject sea water—and gas separated from the oil itself—back into the field to provide the pressure necessary to 'drive' more oil toward the producing wells.

"By carefully controlling the injection of gas and sea water", explains Neil Humphreys, "we hope to recover a higher-than-average percentage of the field's oil."

The economics of the North Sea are such that a single wildcat well can cost more than £3.5 million. A complex like the Beryl development, worth £200 million, therefore needs maximum oil recovery in order to justify the vast investment.

Mobil

No. 6 in a series on North Sea operations. For the complete set, write to: Manager, Public Affairs, Mobil North Sea Limited, Mobil Court, 3 Clements Inn, London WC2A 2EB

d S. Ke...
nt on le...

PORT...
AKE...
ACES



HOME NEWS

Barclays 'will stay in South Africa'

BY MICHAEL BLANDEN

FOREIGN INVESTORS in South Africa had a duty to do what they could to avoid the holocaust which was their critics' fear...

Mr. Tuke said that there would not be any man, one vote in South Africa, in our lifetimes. There was much else to do, and it should be remembered that there were not many countries in Africa which had a Westminster-type democracy.

Mr. Tuke, speaking at a lunch of the American Chamber of Commerce in London, commented on the strong criticism the bank had faced in recent years from anti-apartheid groups over its heavy involvement in South Africa.

'Futile' arms ban

He questioned the efficacy of some forms of pressure on South Africa to change her ways. The most of external pressure was to bring a wave of patriotism which might help the present Government.

It was futile to think that an arms embargo or other sanctions would bring the changes that were wanted, though it was equally certain that they would come eventually. He questioned whether the new policies of the U.S. Administration were always helpful to those working for change in South Africa.

Treasury may alter Loan Board rules

By Stuart Alexander

THE TREASURY is understood to have agreed to reconsider the rules under which the Public Works Loan Board operates, after a meeting yesterday between Treasury officials and finance officers of the three local authority associations.

The meeting is part of a series on the rules governing local authority borrowing. They are to consider proposals from the Association of Metropolitan Authorities, the Association of County Councils and the Association of District Councils.

Although there was some movement on the Loan Board, a Government agency providing loans up to a set quota and lender of last resort, it appears that there were no signs of movement on other calls for a return to reserve asset status for certain local authority securities, or exemption from capital gains tax for local authority stocks held for over 12 months.

County councils are known to be the most upset of the three groups about the voluntary borrowing code introduced six months ago, but there was no attempt to force the Government's hand by threats of withdrawal.

The associations may ask for a further meeting with Mr. Denis Davies, Minister of State at the Treasury, if no progress is made.

Elected members and leaders of the member-councils would then be given the opportunity to reiterate their views, but no official request has yet been made.

Wine trade expects more time for paying duty

BY KENNETH GOODING

THE WINE and spirit trade appears to have made a breakthrough in its campaign to persuade the Government to grant a credit period of duty payments. It hopes that there will be some action in next spring's Budget.

In the past, the Treasury has maintained it could not afford the £135m. one-and-for-all drain on its cash flow. But the Wine and Spirit Association has just presented the Treasury with a paper which says that the cost would not be £135m. but £90m.

The situation arises because wine and spirit traders have to pay duty as soon as goods are taken out of bond. There is a wait of up to six weeks for customers in pay it back.

The £135m. on permanent loan to the Government in this way has been costing the

trade £15m. a year in interest. Further support for a duty moratorium has also come from the food and drink "Little Needs" at the National Economic Development Office.

The most detailed investigation held of the Scotch whisky industry is under way as part of the industrial strategy programme at the development office.

Lack of cash

The Government has pledged it will give as much support as possible to suggestions emerging from the strategy exercise.

The Wine and Spirit Association has produced new evidence of how the recession—and the lack of cash—is damaging employment in the trade.

A survey last year showed a 5 per cent drop in employment, and a similar survey just carried

out, involving a sample of 20,000 individual wine and spirit operations, has revealed a further 5 per cent fall in 1977.

As the trade is estimated to have moved into the 1970s with 250,000 employed, the actual numbers involved are substantial—something like 25,000 people over the two years.

Mr. John Plowman, chairman of the association, said yesterday: "This is a big total compared with the money involved in a duty moratorium."

The association is heavily involved in discussions with Customs and Excise about how the duty credit period might be introduced. If everything went smoothly and proposals were made in the next Budget, subsequent legislation could come into effect in January, 1979.

£3m. order by Vickers helps to restore ICL's morale

FINANCIAL TIMES REPORTER

VICKERS YESTERDAY commissioned a £3m. computer from International Computers Limited as part of its national data processing network.

The commissioning ceremony, at Newcastle-on-Tyne helped to boost ICL's morale only a day after the announcement that it had lost a £5m. contract from Tesco to International Business Machines.

Vickers was in a similar position to Tesco as a user of ICL's earlier generation of machines, the 1900 series. But instead of buying from outside, it has decided to move up to the new ICL 2960 processor.

The company says that it was influenced by the fact that it could switch over to a new ICL machine without the need for costly re-programming.

The Vickers computer network provides an integrated system from the shop floor to top management. It covers operations spread between Glasgow and Edinburgh in the North and

Bristol and Southampton in the South.

Vickers Engineering Group, a Vickers subsidiary, is diversifying into the trailer tent market with a new range of products made by its Oldham-based Four Plus Works division.

The two tents launched yesterday will be followed by more products next year with a strong emphasis on Continental markets. Vickers is aiming at the quality end of the market, pricing the two tents £885 and £997, and hopes to sell about 1,000 units in the first year.

Mr. Derek Oswald, marketing director of Vickers Four Plus, said yesterday that the decision to move into the tent business was prompted by the need to keep the company's equipment in full use during slack periods.

Four Plus is involved mainly in manufacturing automated storage systems, and the company's existing machines and painting equipment will be used for producing the car trailers

into which the mobile tents are packed.

The company claims that the 240 square feet tent can be erected in about ten minutes by two people.

Disabled mark pensions win

THE DISABLEMENT Income Group is holding a Press conference at Toynton Hall, east London, to-day to mark the successful conclusion of its 12-year campaign for a pension for disabled housewives.

Mr. Alfred Morris, Minister for disabled housewives, and some of the 40,000 disabled women around Britain who will be eligible for the new £10.50 pension when it is paid out for the first time to-morrow have been invited.

Now the group is to press for a disablement costs allowance payable to all disabled people.

Skelmersdale chosen by Co-op Bank for central bureau

BY MICHAEL BLANDEN

A £7M. CENTRAL customer service bureau is to be established by the Co-operative Bank at Skelmersdale, Lancashire.

The move is expected to provide 600 new jobs over the next five years, possibly rising eventually to 1,000 in an area of exceptionally high unemployment.

Because of this, the bank has been offered Government grants of £2.1m. to help finance the development, and it could attract a further £1m. of selective assistance if the higher employment level is reached.

This is the largest single office project in a special development area to which assistance has been offered by the Department of Industry under the service industry removal scheme of the 1972 Industry Act.

Mr. Alan Williams, Minister of State for Industry, said at Skelmersdale that the project was particularly prestigious because Skelmersdale was beginning to move back after the "trauma" of last year, which saw the closure of its two biggest factories—the

Co-Operative Bank now has 68 branches and the number is expected to grow. These provide services for its 700 in-store Handbanks and 2,500 cash-advance points in Co-op shops. The new centre should relieve some of the heavy burden of clerical and administrative work.

At the projected rate of expansion, the new centre, which will be a custom-built computer room, is expected to be handling twice the present amount of Co-op Bank business in five years.

Industry chief urges cut in State borrowing

FINANCIAL TIMES REPORTER

A SHARP reduction in Government's call on resources is needed to restore industry to a reasonable economy. Sir Kenneth, chairman of both the British and Rolls Royce (AEE) might.

Both industry and the State are ready and willing to do their full part. The real question is whether the State is ready and willing to relinquish its own domestic empire for the sake of a better economy.

Sir Kenneth, giving the title of Bankers' Ernest Memorial Lecture at Farnham, said: "It is not industry's fault that the Government's interventions in the detail of economic affairs that are responsible for our troubles are undermining what used to be a sound and effective system."

On the competitive British industry, he said: "The greatest cause of failure to compete is our really low productivity by parson with that of our competitors."

Respite "Until we tackle this seriously we have little of recovering and of great wealth we need to finance welfare services we should like to see."

North Sea oil might provide a respite, but we must be time to clear this basic ill of our economy.

Sir Kenneth said that evidence indicated that it had been any shortages in investment they had only where the Government pre-empted the available pricing industry out.

The Government drastically reduce its borrowing requirement and preferential repaying some of its debt.

More graduate teachers in grammar schools

BY OUR EDUCATION CORRESPONDENT

A far greater concentration of graduate teachers in grammar schools than in comprehensive schools is shown by provisional statistics for 1975, published by the Department of Education and Science to-day.

Although there were only 20,347 teachers in state-maintained grammar schools, more than three-quarters had degrees. By contrast, fewer than half of the 138,065 teachers in comprehensive were graduates.

For state secondary schools of all types in England and Wales, about 41 per cent of the 216,736 teachers had had graduate training. This compared with a figure of only 8 per

Building show

INTERBUILD, claimed by the organisers to be one of the biggest building and construction exhibitions to be staged in the English-speaking world, will be opened to-day at the National Exhibition Centre, Birmingham, by Mr. Peter Shore, Secretary of State for the Environment.

British Steel chief may be quizzed on crisis options

BY ROY HODSON

SIR CHARLES VILLIERS, Chairman of British Steel is likely to be asked to-day by MPs to disclose his range of options—code-named A, B and C—for stemming the corporation's £10m-a-week losses by pruning jobs and closing old plants.

The all-party Select Committee inquiring into British Steel, which finished taking evidence in the summer, is reconvening to hear fresh evidence from Sir Charles, Mr. Eric Varley, the Industry Secretary, and the Treasury, about the deepening crisis in British Steel in recent weeks as losses have mounted and sales fallen.

Sir Charles is the first witness to be summoned to the new round of hearings. His evidence will be given with some reluctance as British Steel is in the middle of negotiations with the steel unions over the A, B, and C options and is not in a position to detail firm plans for alleviating the steel crisis.

Evidence from the Treasury about the cost of financing British Steel losses will be heard on November 24. By coincidence the main Board of British Steel will meet that day to consider

the corporation's financial results for the half-year— including a record loss of £200m.

As part of a general cost-cutting exercise during the crisis, British Steel is using existing stocks of materials wherever possible and reducing purchasing orders. The impact is being felt by specialist suppliers to the corporation and companies engaged in the recycling of materials.

The scrap trade is badly affected. Last night the British Scrap Federation reported that stocks of steel scrap held at the steelworks had fallen more than 100,000 tonnes in the last quarter.

The scrap merchants expect British Steel to continue to use existing scrap stocks in the current quarter. "Scrap prices have reached a low point where the collecting and processing of scrap is presenting serious problems."

More British steel scrap is being sold abroad because of a depressed home market. Exports rose from 190,000 tonnes in the first quarter to 310,000 tonnes in the third quarter.

Parliament Page 14

Amoco spillage rebuke

AMOCO, operator of the North Sea Montrose Field, has been rebuked by the Department of Energy over a spillage of oil during offshore loading.

The incident happened in September when between 2,000 and 4,000 barrels of oil spilled

into the sea during the loading of a tanker in the field, which is 150 miles to the east of Aberdeen.

The accident created a slick six miles long and half-a-mile wide. New procedures adopted by Amoco appear to have met with the Department's approval.

Cranemakers' boycott

BY OUR INDUSTRIAL CORRESPONDENT

MOST OF Britain's big manufacturers of construction equipment and cranes are to boycott the Public Works Exhibition planned for November next year.

The row centres on the fact that the manufacturers say that they should not be asked to exhibit at the exhibition, but they should not be held so frequently because "this is in the interests not only of the manufacturers but also those who attend exhibitions to see new types of equipment on display."

The main European construction equipment makers have persuaded the organisers of Bauma in Germany that in future it should take place only on a three-year basis—the next will be in 1980—and that Exposit in France will take place on a four-yearly basis beginning in May next year.

The Federation of Manufacturers of Construction Equipment and Cranes said yesterday: "During the same period discussions have taken place with the organisers of the Public Works

Exhibition with a view to the British exhibition forming part of the cycle of European exhibitions, but it has not yet been possible to agree on any final arrangements."

Manufacturers are particularly concerned about the way information is pushed up the cost of exhibiting at the Public Works Exhibition.

Those companies which have notified their intention not to exhibit are: Aveling-Barford; Babcock and Wilcox; Barber Green Englands; Bentford; Bray Construction Machinery;

British Jeffrey Diamonds; BSP International Foundations; J. I. Case; Caterpillar Tractor; Clarke Chapman; Coles Cranes; Comp Air Construction and Mining;

General Motors Scotland; Hymac; International Harvester of UK; Massey Ferguson UK; Frederick Parker; Benson; Priestman Brothers; Ransomes and Rapier; Ruston Bucyrus; Air Construction and Mining; Jones, Cranes and Johnson Machinery.

been allocated and that some construction equipment makers have made reservations."

But it says: "The British manufacturers of construction equipment do not believe it is necessary to hold an international exhibition of construction equipment in the U.K. before 1980."

Those companies which have notified their intention not to exhibit are: Aveling-Barford; Babcock and Wilcox; Barber Green Englands; Bentford; Bray Construction Machinery;

British Jeffrey Diamonds; BSP International Foundations; J. I. Case; Caterpillar Tractor; Clarke Chapman; Coles Cranes; Comp Air Construction and Mining;

General Motors Scotland; Hymac; International Harvester of UK; Massey Ferguson UK; Frederick Parker; Benson; Priestman Brothers; Ransomes and Rapier; Ruston Bucyrus; Air Construction and Mining; Jones, Cranes and Johnson Machinery.

UATA-The long distance French Airline. When you fly UATA, you'll probably be in the air at least 7 1/2 hours. So you'll want to suit your surroundings. Our interiors are by Isabelle Heberly. From the best Legroom (our DCL07 have only 27" seats). Entertainment (we have in-flight movies, 7 channels of stereo music and 10 magazines). And you'll want the finest food (ours is inspired by Raymond O. Chef of the Grand Velour, Paris). It's a pleasure to fly UATA. French Airlines. London 01-425 6114. ABTA Travel Agents. UATA French Airlines. London 01-425 6114. Manchester: 061-834 7891, Glasgow: 041-221 2101.

WANG advertisement. We make the computer you need but thought you couldn't afford. If your turnover's more than £1/4 million you want Wang. Most companies with turnovers between £1-million and say, £5-million are only just recognising the benefits of an in-house computer. Wang make one that they can not only afford but could also save them money; especially if they currently using a bureau—with its limitations on time and capacity. Consider the cost you cut. If you have to keep bought ledger, sales led full accounts, stock lists, and payroll details (for instance) a Wang computer could save you 50% And it could cost you under £4,000 in capital outlay. No specialist staff needed. A Wang computer couldn't be much more simple. To start with, you switch it on and it's ready to use. After which, it almost teaches the operator how to use it. So training one of your present staff could take just a few hours instead the days or even weeks sometimes needed. Wang grows on you. And with you. It will take only a few weeks to discover the benefits of a Wang computer. And, as your business grows, so will the capability of your Wang installation. You can add peripherals and extra capacity as you go along. Software too. And capitalise on your capital investment over the years. Over 1,100 installations in Britain. Wang machines are installed all over Britain. For both commercial and scientific users. And there is a growing list of satisfied customers. They'll tell you just how satisfied. Write or phone us and we'll put you in touch... and send details the Wang computers that could change your whole commercial life. Wang Electronics Limited, Head Office, Argyle House, Joel Street, Northwood, Middlesex HA6 1J. Tel: Northwood 28211 Telex 923498. The big name in small computers. Branches at London W1, Northwood, Uxbridge, Harrogate, Rugby, Manchester, and East Kilbride.

If you're running a business virtually single-handed Midland teamwork can help a lot.

It can help you produce business answers you're less likely to come across alone.

It provides a back-up service, from taxation to travel, that few proprietors of smaller businesses can normally afford to employ.

It allows you the time and space to see the wood, as well as the trees.

It even allows us to say 'no' to an eager borrower if the balance of advantage for him lies in, say, leasing from Midland Bank Group, rather than purchase.

It leads to smaller companies growing bigger as they grow more profitable.

There's as much future in Midland teamwork for the smaller business—as there is for Midland Bank.

Your local Midland manager will be glad to tell you about the service he and his colleagues in Midland Bank Group provide. Their special skills range from finance for growing companies to business insurance and pension schemes for the entrepreneur himself.

For full information about the way Midland Bank can help the individual businessman and his business, send this coupon, or ask for a copy of our booklet at your local Midland branch.

Please send your free booklet "Financial Service for Proprietors of the Smaller Business."

Name:

Address:

Send to: Midland Bank Limited, Room 23, PO Box 2, Sheffield S1 3GG.

FT1

Isn't it time you met our business team?



Midland Bank

One doesn't have to be successful to have style.



But it helps.

The world of fine luxury cars has produced many brilliant examples. At BMW we felt it would be unnecessary and prohibitively expensive to create a car with even more luxury than the best available at the moment.

The concept design basis of the BMW 7 Series was not, therefore, to produce simply another exceptionally comfortable car, but one with a dynamic and refined performance.

Luxury

The first impression one has when looking at one of the 7 Series is a car of exceptional yet quiet beauty, of disciplined power and of engineering and coachwork of the very highest quality.

Sit in the car and one immediately has the feeling of absolute comfort and excessive spaciousness especially in the back. The seats are anatomically designed for both comfort and support. The driver's adjusts for reach, angle and height.

Heating and ventilation is very sophisticated and can be finely set. Pneumatically controlled, warm and cold air are pre-mixed and delivered in three controllable zones—face, body and feet. Air directed at the face is about 8% cooler than air to the feet, so the ideal of 'cool head warm feet' is achieved. In the 730 and 733i the rear passengers have their own independent heating and ventilation which they control themselves. Ventilation is also channelled into the front side windows for immediate demisting.

Quietness is now quite outstanding. Wind noise has been drastically cut by aerodynamic design and closer bodywork 'fit' and engine noise is even lower due to new sound damping.

In the areas where luxury cars excel—design, quality, comfort and quietness—the 7 Series has found new and better technological answers.

Performance

Most luxury cars are heavy and, whilst being fairly fast in a straight line, have neither good handling nor 'agility.' They are passive rather than dynamic cars. This is not the case with the 7 Series.

The chassis combines two apparently contradictory extremes—luxurious ride with exceptional handling. The new front suspension allows softer ride whilst giving better stability with less 'dive' and 'roll.' At the rear the race proven semi-trailing arm is used. All wheels independently and correctly align themselves for the best possible ride and hold on the road regardless of the surface or camber.

Once in the car one realises that the cockpit is totally driver orientated. Seat and steering can be adjusted to any driver for maximum comfort and ease of control. Considerable research has gone into the layout and has resulted in a 'wrap around' console. All dials are equi-distant from the driver's eye, all controls come immediately to hand.

As soon as one drives the car one understands the advantages of the BMW philosophy of making the driver the essential element of car design. Stress and difficult situations are reduced and the pleasure of being able to drive both courteously and as one pleases is very rewarding.

Safety

The core of the 7 Series 'passive safety' is the passenger compartment. This rigid cell with its integrated roll over bar, longitudinal and vertical supports remain intact on impact when the front or rear safety zones absorb energy. Inside the car, padded upholstery has been developed into a complete protective system. It operates at three different levels—face, shoulder and below window level with different forms of padding to give maximum protection.

In 'active safety' terms the driver is the essential element. So everything is designed, researched and developed to make his task simpler and more efficient.

The 7 Series incorporates many highly advanced, technological improvements to help prevent the worst happening. The most important being the new 'double pivot front suspension.' This gives exceptional directional stability—should one wheel hit slush, or a tyre burst, the car will remain on line.

This stability allows a new dual braking system—if there is a failure the car brakes on one front wheel and the opposite rear wheel which, with the new front suspension, eliminates slewing.

Driving Pleasure

The 7 Series combine performance and comfort in a way that no other cars have done before. A passenger has all the luxury, the smoothness of ride and the quietness to make any journey a pleasure. The driver has the effortless power and performance which encourages a new spirit of driving.

This, then, is the new BMW 7 Series range. Cars in the very highest luxury class with sophisticated, refined and powerful performance. A unique and exceptional choice amongst the world's greatest cars.

Performance glossary (Manual figures only. Source BMW)

728: 2.8 litres, 170 bhp, 0-60 in 10 secs, max 120 mph

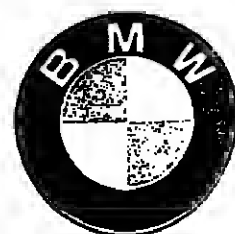
730: 3.0 litres, 184 bhp, 0-60 in 9.4 secs, max 125 mph

733i: 3.3 litres, 197 bhp, 0-60 in 8.9 secs, max 128 mph

Prices: 728: £8,950.00. 730: £10,540.00. 733i: £11,550.00.

All prices correct at time of going to press.

Leasing: In today's financial conditions, leasing a BMW can create substantial advantages. Your BMW dealer will be happy to put you in touch with expert advisors on leasing who can describe the schemes in detail.



The new BMW 7 Series. For the joy of motoring.

BMW Concessionaires GB Ltd, 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO & Diplomatic: 56 Park Lane, London W1. 01-629 9277.

PARLIAMENT and POLITICS

Rees faces angry Left wingers over firm line with firemen

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE HOME SECRETARY, Mr. Merlyn Rees, came under angry attack from his own Left wingers in the Commons yesterday when he firmly repeated the Government's determination that the striking firemen must abide by the 10 per cent pay guidelines at the present time.



Mr. Jim Sillars argued that the firemen were a special case.

Mr. Sillars argued that the firemen were a special case. He said the 48 hour week was due to be reduced to 42 hours in at least a year's time. It could be argued that the firemen had already achieved higher productivity and were thus entitled to extra pay for working the 48 hours over the coming year.

could be negotiated on top of that.

Another Labour MP Mr. Richard Crawshaw (Tottereth), pointed out that the reduction in the working week was an important social advance but did not put a single penny into the pockets of the firemen. He suggested that a way might be found forward if the firemen could get overtime payment.

Mr. Dennis Skinner (Lab., Bolsover) intervened to protest that there had already been exceptions to the 10 per cent rule. The Royal Family had been generously treated and there had been the settlement at Ford's and many others.

The TUC had not accepted the 10 per cent rule. It was not a statutory policy and had not even been approved by the Commons. Mrs. Barbara Castle (Lab., Blackburn), a Minister of Labour in the Wilson administration, urged that the Government should accept a settlement negotiated at the Joint Council and would phase it in at the end of the pay policy.

But the Home Secretary told her: "There is no commitment on phasing in with anyone else and I can't do it with the firemen."

There was a final intervention from Mr. Sillars, who pointed out that the firemen would probably be prepared to compromise on their 31 per cent claim if the Government were allowed by the Government to give in a little on the 10 per cent guidelines.

Mr. Rees told him: "It would be a mistake to get involved in that now." A motion to adjourn the Commons was rejected by 211 votes to 55, Government majority 153.

Food safety legislation for review - Minister

THE MAIN legislation for consumer protection on food safety, the 22-year-old Food and Drugs Act, is to be reviewed and brought up to date.

The announcement was made by Dr. Gavin Strang, Parliamentary Secretary, Agriculture, in a written Commons reply yesterday.

He told Mr. Bryan Davies (Lab., Ealing) that the need for a review was indicated by the many changes in food technology and distribution which had taken place since the 1950s, coupled with the effect of joining the EEC.

The Act, covering the composition, labelling, hygiene and safety of food, still provides substantial protection for consumers. But considerable revision is needed to take account of developments.

But some existing provisions, including those for sampling and analysis, are at variance with those of the EEC, and there have also been significant changes in food technology and distribution patterns.

A consultative document, to be issued next summer, will enable amendments to be suggested.

Callaghan wants big increase in steel productivity

BY IVOR OWEN, PARLIAMENTARY STAFF

A CALL for improved productivity in Britain's steel industry was made by the Prime Minister in the Commons yesterday. He said that the Government's position attempts to attribute the difficulties it now faces to the steel industry.

He maintained that the steel industry in the U.S. and in other countries showed that the recession in world trade was the major factor in the situation.

"This is an international problem which cannot be solved by any party clapping about nationalisation," the Prime Minister insisted.

Mr. Nicholas Ridley (C. Cirencester and Tewkesbury) led the Tory assault on the Prime Minister's remarks, saying that the Corporation had also taken losses running into billions of pounds when it appears.

Concern over industrial tribunals, says Prior

FINANCIAL TIMES REPORTER

MR. JAMES PRIOR, shadow Employment Secretary, told the Commons yesterday that there was growing concern about the operations of Britain's industrial tribunals.

Mr. Prior said this concern was shared by some of the leaders. He pointed out that the number of unfair dismissal cases was going up by 50 per cent a year and this was leading to a large number of small employers not wishing to take on labour.

He urged the Government to examine the way the tribunals were operating. Mrs. Jill Knight (C. Edgelyston) asked the Government to cost.

Whitelaw attacks 'shifting position' on 10 per cent. guidelines

MR. WILLIAM WHITELAW, deputy Opposition leader, said that the Conservatives expected the Government to ensure that local authorities continued to seek a negotiated settlement.



MR. WHITELAW

But "we will certainly not give any encouragement to the firemen to believe that they can gain a remedy for their grievance on pay, however strongly felt, through strike action."

He attacked the Government's "shifting position" over the 10 per cent guidelines—an upper limit one moment, an average at another.

Mr. Whitelaw urged that where there were closed shops in operation, firemen who refused to strike, or who answered calls for help where there was danger to life, should not be victimised when the strike ended.

There was a chorus of "Hear, hear" when he added that all MPs would applaud the action of the firemen on official picket duty at Poplar fire station who had gone to fight a fire which threatened St. Anne's Hospital, Bow.

Mr. Eric Heffer (Lab., Walton) said: "We trade on the social conscience of the police and the firemen. It is not right. This

pay policy is like a virility symbol." He urged Mr. Rees to be flexible. "Get back round the table and get the lads back to work."

Mr. Hugh Fraser (C. Stafford) and Stone) called for firemen's pay to be made a special case, together with the police and armed forces.

Mr. Emyln Hooson, for the Liberals, strongly attacked this idea. "If the Government gives way to the firemen then the Government is doomed," he claimed.

Mr. Hooson warned the Government that the deal with the Liberals would be "at an end" if they negotiated an agreement which effectively destroyed his battle against inflation.

Mr. Hooson said he supported Mr. Rees in sticking to the 10 per cent pay guidelines. "It cannot give him any pleasure whatever to have to take a firm line about the claims of the firemen."

Mr. Neil Kinnoch (Lab., Bedwellty) said there could be no question of holding totally firm to the 10 per cent line. A formula had to be found for guaranteeing payment of the claim to raise a fireman's wage to the average level when the right circumstances prevailed.

Something above 10 per cent had to be put in firemen's pockets now and this must go with a promise of a substantial award in the future.

These guidelines must not be a straitjacket for Government.

"A settlement would not open the floodgates. The dam holding the dam may be more dangerous than the flood."

Mr. Douglas Henderson (SNP, Aberdeenshire E.) warned that Mr. Rees had not said anything to convince him the Government's stand should be supported.

"A sense of rigidity has crept into its attitude and seems to be hardening." It seemed like a return to three years ago but instead of Mr. Heath, it was Mr. Rees.

Mr. Patrick Mayhew (C., Tunbridge Wells) said young men joined the army to be soldiers. "If they are to be used as firemen, the Government owes them the same duty it owes the firemen, to provide them with the equipment available to the extent they are able to use it."

This equipment was sitting in fire stations and Mr. Rees was not allowing it to be used. Mr. Jonathan Aitken (C., Thanet E.) complained: "It has become increasingly clear throughout this debate that the Home Secretary's handling of the dispute has been lacking in skill and sensitivity."

There was flexibility for negotiation in the area of fringe benefits.

ALLEGATIONS THAT the Welsh Assembly, to be established in Cardiff will be nothing more than a "talking shop" were denied by Mr. John Morris, Welsh Secretary, when he opened the second reading of the Wales Bill in the Commons last night.

If the Bill was carried into law, a wide area of decision making in fields covering health, education, housing, the environment, roads and cultural matters would be transferred to a democratically elected body, he said.

Mr. Morris emphasised that the Assembly would be empowered to set up a number of committees and would be required to ensure that the balance of parties in committees reflected that in the Assembly itself.

"I believe this will ensure that while, as in any democracy, the view of the majority shall prevail, minorities will have an effective role in the committees."

Mr. Morris claimed that the inclusion in the Bill requiring the Assembly to review the structure of local government in Wales had been widely welcomed.

"Wherever I go in Wales, the view is expressed that the last reorganisation of local government was hunted by the Conservative Party, and the people of Wales have had to suffer."

That is what is an urgent review of the present system. I believe that the Welsh Assembly, with men and women representing every corner of Wales, will be uniquely qualified to carry out such a review."

But the Secretary of State again emphasised that there was no question of the Assembly taking over any tasks of local authorities.

He was sure that many members of the Assembly would understand what sort of local government machinery was required to provide the best and most economical system for Wales.

Mr. Morris maintained that the Bill, like the measure providing a devolved assembly for Scotland, would not destroy the unity of the U.K.

On the contrary, he believed that by giving a measure of devolution to Wales, the Bill would help preserve and strengthen the unity of the U.K.

Welsh Bill 'transfers wide powers'

BY IVOR OWEN, PARLIAMENTARY STAFF

MR. JAMES PRIOR, shadow Employment Secretary, told the Commons yesterday that there was growing concern about the operations of Britain's industrial tribunals.

Mr. Prior said this concern was shared by some of the leaders. He pointed out that the number of unfair dismissal cases was going up by 50 per cent a year and this was leading to a large number of small employers not wishing to take on labour.

He urged the Government to examine the way the tribunals were operating. Mrs. Jill Knight (C. Edgelyston) asked the Government to cost.

Mr. James Prior, shadow Employment Secretary, asked the Government to put pressure on employers who were entering such restrictive trade union membership agreements. This particular issue had singled out 40 people from a staff of 220,000.

Dismissals attacked by Tory

BRITISH RAIL has sacked a total of 40 of its workers for not belonging to a trade union, Mr. Ian Gow (C., Eastbourne) said in the Commons yesterday.

Five had been with British Rail for between 29 and 39 years and two for over 39 years, he added.

Mr. Gow said that the Employment Secretary (Mr. Booth) should go beyond his present "Postitus Phisic" attitude, and say the dismissals were unjustified.

Mr. John Grant (Employment Under Secretary) said that although he regretted that differences had not been solved, this was a matter between management and trade unions.

Mr. James Prior, shadow Employment Secretary, asked the Government to put pressure on employers who were entering such restrictive trade union membership agreements. This particular issue had singled out 40 people from a staff of 220,000.

'Benefit denied to Army wives'

BRITISH WIVES working in Germany while their husbands serve with the 55,000-strong Rhine Army are not eligible for unemployment benefit, although they pay full taxes during their overseas tour.

"Our families suffer and they should not lose out," says Soldier, the official British Army magazine. The article is expected to cause anger and embarrassment in top circles inside the Ministry of Defence, particularly as it comes at a time when servicemen are openly showing great resentment at their pay level.

Until yesterday, you could experience our personal touch in 288 branches.

Today you'll find it in 289. We've brought our personal touch to Charlotte Street. The same personal touch you'll find in all our group's 288 international branches. The same personal budget approach that helped us grow to the world's 11th largest bank, with assets of over £4.2 billion. We can help you too, internationally or domestically. Take advantage of our 56 years of expertise. Speak to our manager. He's really keen to get to know you.

Bank Hapoalim B.M. Our newest branch opened in Manchester today.

Manchester 7 Charlotte Street. Tel: 061-238 2406. London West End Branch 81a Brook Street. Tel: 01-499 0153. City Branch 201a Lawrence Lane. Tel: 01-600 0584. Head Office 50 Rothschild Boulevard, Tel Aviv, Israel. Tel: 032222. New York, Los Angeles, Chicago, Zurich, Toronto, Montreal, Buenos Aires, Sao Paulo, Caracas.

MP seeks ban on visit by former SS officers

MR. JAMES PRIOR, shadow Employment Secretary, told the Commons yesterday that there was growing concern about the operations of Britain's industrial tribunals.

Mr. Prior said this concern was shared by some of the leaders. He pointed out that the number of unfair dismissal cases was going up by 50 per cent a year and this was leading to a large number of small employers not wishing to take on labour.

He urged the Government to examine the way the tribunals were operating. Mrs. Jill Knight (C. Edgelyston) asked the Government to cost.

Flood areas a hint by Premier

THE GOVERNMENT may speed up flood-hit areas, Mr. Callaghan told the Commons yesterday.

Mr. Callaghan said he had received a telegram from the Mayor of Blackpool, Eyles Wyre, Lancashire, asking financial aid because of damage suffered on the west coast.

The Environment Secretary (Mr. Shore) had been looking into what needed to be done and there were certain Government facilities which could be made available, if necessary.

Mr. Callaghan commented: "It made available, if necessary only goes to show we should be very careful about the cost of the scheme."

That particular German scheme is well known and is being used as a model for what happened at a port of entry, that of the immigrants for the immigrants authorities at that time.

He resisted a demand by Mr. Greville Janner (Lab., Leicester W) to have the visit banned. Mr. Janner said the three men had been senior SS officers, one of them in Hitler's bodyguard.

Their book was designed to whitewash the SS, claimed Mr. Janner. He added: "As the SS was not only concerned with the killing of British prisoners, but the setting up and operation of Hitler's extermination camps, don't you consider such a visit would be extreme provocation to hundreds of thousands of people in this country?"

This brought an angry shout of "Like the visit of Israel Prime Minister Begin" from Mr. Andrew Faulds (Lab., Warrley E). Mr. Callaghan commented: "It made available, if necessary only goes to show we should be very careful about the cost of the scheme."

POLSERVICE Consulting Engineers. CONSULTING AND TECHNICAL SERVICES in the field of BUILDING INDUSTRY. Surveys, studies and reports. Researches, Technological and Laboratory tests. Engineering construction designs. Supervision of construction in connection with Town and regional planning. Architecture, Housing and industrialized building. Communal building with technical infrastructure. Marine engineering. Please visit our stand 4616-4620 in Hall 4 at the 37th International Building and Construction Exhibition in Birmingham from 16th-25th November, 1977. Foreign Trade Enterprise POLSERVICE Sapińska 5 00-950 Warszawa POLAND Tel: 813 539 UPOŁ PL

مكاتبنا في القاهرة

CBI at Brighton

Report by David Churchill and David Freud

Employees 'should be involved in making decisions'

CBI approved in the final stages of the conference... Mr. Michael Mallett, deputy chief executive of James Neill Holdings, supported employee share ownership which, he said, represented the policy that could bring about the change of attitude which was fundamental for the country.

Lord Watkinson, president of Tube Investments, said: "I believe it is essential to make a reality of participation. Most people want to have a say in what affects their daily lives. Most people are indifferent or actively hostile to the proposals in the Bullock report. We must take advantage of this."

Mr. Dick Pattick, of Taylor Woodrow, was against bringing in the law. "Participation" required flexibility and the law was, of necessity, precise. "The responsibility for getting more understanding among those who work in industry lies with us to this ball."

Show 'on the road and rolling'

E CBI had found a voice in the 1977-78 conference... Lord Watkinson, president, said: "I want to be free to develop these and other ideas without the constraint of legislation. There is no single formula, no short cut."



LORD WATKINSON

waiting to speak. He said: "If there is a special case it is the housewife. There is no union to speak for them or their children. If they are prepared to go on, rising prices and all the rest, exercising moderation for a little longer, should we not follow their example and should the unions not follow their example, too?"

Nine-point package of reforms

- 1—Employers should have similar rights to unions in using ACAS in resolving recognition disputes. "It is indefensible that the right to refer a dispute to ACAS under Section II of the Employment Protection Act should be available only to trade unions."
2—The CBI believes that in principle an employee should have the right to decide whether or not to join a union and which union to join.
3—There should be minimum standards or rules to which unions should be bound. "It is impossible to have successful collective bargaining unless trade union leaders are properly representative of their membership, unless agreements are kept, and unless dispute procedures are complied with."

What to expect from the leading U.S. government securities firm



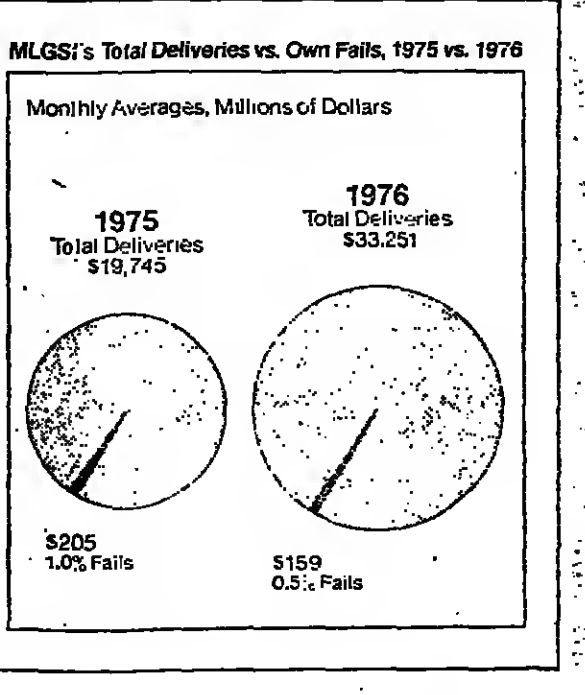
1. The leading firm should offer direct access to primary money markets on a worldwide basis. Merrill Lynch Government Securities deals with thousands of companies and institutions throughout the world. Not just those in or near major financial centers.

2. The leading firm shouldn't settle for anything less than full-time research. Merrill Lynch Government Securities has a staff of professionals whose only job is to study the government securities market and the many factors that affect it.

3. The leading firm shouldn't blink at mammoth trades or wince at small ones. In a recent month, Merrill Lynch Government Securities handled transactions as big as \$800 million and as small as \$1,000.

4. The leading firm should make firm bids in good markets and bad. In a month that included a good market (November, 1976), Merrill Lynch Government Securities had an average daily volume of \$2 billion. Even when things got tough (January, 1977), the figure was still impressive—\$1.8 billion.

5. The leading firm should have a first-class clearing operation. At Merrill Lynch Government Securities, the approach is to avoid problems, rather than trying to solve them after something goes wrong. Result: In 1976 only 1/2 of 1 percent of the firm's trades failed because of its own late payment or late delivery.



Merrill Lynch Government Securities Inc. The leading firm should do all these things. Not just a few. This firm does. Merrill Lynch Pierce Fenner & Smith Inc. & Merrill Lynch International Bank Ltd. are members of the Merrill Lynch & Co., Inc. group of companies.

The Management Page

EDITED BY CHRISTOPHER LORENZ

Labour productivity: why Britain may be up to the German mark

In his fourth article on performance indicators for nationalised industries, Christopher Lorenz examines a confidential 26-nation report on the performance of European Post Offices.

Kr. \$ DM. Fl.

YEARS ago the Dutch home administration had been as high a labour producer as its much-praised counterpart, making again as the German, and at double the British. The Netherlands are now well ahead of the British, and have enlarged the gap with the German, who in have been caught by the Dutch.

The most striking picture to emerge from a mass of data prepared by the 26-nation Council of Posts and Telegraphs (CEPT), in its central 1976 edition of telecommunications experts over Europe are now puzzling how the Dutch — part of a service department, a monopoly — have managed to improve their performance year after year, just as rapidly as organisations such as the British, which at a much lower level might therefore have been expected to close the gap.

Telephone administrations in Britain, Germany, the Netherlands and Sweden are the most comparable candidates for a comparative study, as explained in a series of articles in this series on the British and German telephone systems. The Dutch are the most successful of their key competitors, and the Swedish has few factors in common with them — because it is the cheapest service to the Swedish form part of national Post Offices. The Dutch have surged ahead of the British since the late 1960s — a possibility that the British reversed the position between 1970-75. But one must strip away two Dutch labour productivity layers of disguise before one can put the scope of the two organisations' activities on an equal basis, and to make a sen-

graphic and population patterns since Anglo-German comparison. Table 2 has been compiled after the removal of the first layer, while Table 3 reflects the position after the much thicker second layer has been discarded. It is a matter of objectivity, rather than chauvinistic selectivity, that the British Post Office (BPO) emerges in a rosier light when the layers are removed.

The first layer consists of telephone operators, or "telephonists," as they are described in the CEPT report. Its removal dispenses with a factor which severely distorts any labour productivity comparison between the two countries. The British telephone system has been far less highly automated than the German for the past 20 years, so that far more operators have been needed; over this period, automation has steadily increased, with a consequent drop in the number of operators (discussed in the next article), but the low German level will never be reached because the BPO refuses to deprive the subscriber of operator assistance if the equipment fails to work.

Because of this double-barrelled factor, the BPO has employed about 20 times as many operators as the Bundespost for the past ten years (over 40,000 against about 2,000); at the latest CEPT count, the figures were 23,300 and 37,300 respectively. The BPO denies that union pressure has artificially boosted operator employment.

Cynics may argue that the minimal operator back-up service in Germany is justified because its automatic equipment is more reliable than the British. Whatever the merits of this argument, the removal of operators from the Anglo-German comparison brings the absolute level of BPO productivity almost up to the Bundespost's level, as Table 2 shows — though it also reduces the British rate of growth towards the German

TABLE 1
LABOUR PRODUCTIVITY IN EUROPE'S TELEPHONE ADMINISTRATIONS (BASED ON TOTAL LABOUR FORCE)

	Germany	Britain	Netherlands	Sweden
1970-75 increase in total staff	+13.7%	+2.3%	+4.4%	-1.1%
Connections per employee	1970: 54 1975: 71 Increase: +31.5%	1970: 40 1975: 56 Increase: +40%	1970: 90.5 1975: 130 Increase: +43.5%	1970: 93 1975: 110 Increase: +18%
Telephones per employee	1970: 85 1975: 104 Increase: +25%	1970: 64 1975: 89 Increase: +39%	1970: 140 1975: 197 Increase: +41%	1970: 116 1975: 141 Increase: +22%
Inland calls per employee	1970: 62,500 1975: 75,500 Increase: +21%	1970: 46,500 1975: 68,000 Increase: +46%	1970: 100,700 1975: 133,800 Increase: +21%	n.a.

NOTES TO ALL TABLES

1.—Source: Based on 1976 CEPT "Telecommunications Statistics".

2.—CEPT figures relate to calendar year-end, except for BPO, where they are of March 31 of the following year.

3.—All figures have been rounded.

4.—Productivity measures: Experts differ over the best measure of labour productivity in a telecommunications service organisation, but "connections per employee" has

TABLE 2
LABOUR PRODUCTIVITY IN EUROPE'S TELEPHONE ADMINISTRATIONS (BASED ON LABOUR FORCE EXCLUDING OPERATORS)

	Germany	Britain
1970-75 increase in total staff	+13.5%	+7.6%
Connections per employee	1970: 54.7 1975: 71.8 Increase: +31%	1970: 49.9 1975: 66.4 Increase: +33%
Telephones per employee	1970: 85.8 1975: 107.8 Increase: +25%	1970: 80.4 1975: 105.2 Increase: +31.5%
Inland calls per employee	1970: 63,200 1975: 76,400 Increase: +21%	1970: 58,100 1975: 80,700 Increase: +39%

TABLE 3
LABOUR PRODUCTIVITY IN EUROPE'S TELEPHONE ADMINISTRATIONS (AFTER SECOND-STAGE ADJUSTMENT ALSO EXCLUDING OPERATORS)

	Germany	Britain
Connections per employee	1975: 71.7	1975: 78.1
Telephones per employee	1975: 107	1975: 124.4
Inland calls per employee	1975: 76,410	1975: 94,124

the most support, since there is little international variation in its definition, as subscribers' lines to a public exchange. By contrast, "telephones" are defined differently, some counting every telephone attached to a private exchange, others treating such an exchange as one telephone. "Calls" are also measured in widely varying ways, and the different pricing systems for local calls also distort comparisons: the British system of charging for the length of call encourages a large number of short calls, compared with the German flat-rate system, for example.

NOTE TO TABLE 3

The "second-stage adjustment": On the one hand, the Bundespost's telecommunications labour force has been swollen to the tune of 5,000-6,000 people by its responsibility for various aspects of radio broadcasting which in Britain are the province, not of the PO, but of the Home Office. A further factor is that, for the last few years, nearly 3,000 of the Bundespost's telecommunications employees have been shifted to postal duties because of lack of work, though they are still counted as telephone workers.

These two points suggest that the Bundespost's telecommunications labour force should be adjusted downwards by nearly 10,000 in order to make an accurate productivity comparison with the BPO. But an even larger adjustment is required in the opposite direction. The German figures exclude certain personnel, finance and administration functions which are treated as part of the overall Postal

Disguise

Looking just at the British and German results, Table 1 is slightly less misleading since it is the two most similar telephone administrations in Europe. The figures suggest that — after improving its performance less rapidly than the Bundespost in the late 1960s — the British reversed the position between 1970-75. But one must strip away two Dutch labour productivity layers of disguise before one can put the scope of the two organisations' activities on an equal basis, and to make a sen-

How are these productivity differences explained? One important factor is that the Bundespost's labour force was swollen by the national introduction in the early 1970s of a sharply reduced working week: at the same time, its employees did not increase their overtime working. Another factor which would boost the Bundespost's labour force — and depress its productivity — compared with the BPO, is the national German tendency to work less overtime than the British.

The Bundespost also suggests that it was "investing for the future," by installing equipment which was not required immediately, but which would be used in the future. This also implies that its labour productivity was artificially depressed over the period.

But the BPO was engaged in the same sort of exercise. Both organisations can expect their labour productivity to increase sharply in the next few years as a result.

Use of capital

There are other distorting factors which make it difficult to draw exact conclusions, as the Bundespost points out. The most significant is that labour productivity forms only one incomplete part of the total productivity equation: the use of capital is of particular importance in such a technology-intensive business as telecommunications. But international comparisons of total productivity are even more ridden with labour productivity than labour productivity measures, thanks to conflicting rules and practices in financing and accounting.

If one is to make any progress towards accurate international productivity comparisons, labour measures will have to suffice until economists and accountants can agree on some financial standard. In the case of the British and German telephone administrations, one is left with the clear impression that there is far less to choose between their labour productivity than might have been expected, and that previously published studies have suggested.

The most obvious discrepancy between the two is that the BPO's exchange maintenance labour force is far larger, almost 18,000 compared with 12,000, though the two countries' telephone networks are of roughly the same size. This is partly explained by the survival of older and more maintenance-intensive equipment in the British network, and perhaps by the Bundespost's readiness to spend more for less maintenance-intensive equipment, but there may be more to it than that: the BPO should investigate the discrepancy without delay.

Whether one concludes that the two organisations are equally productive, or equally unproductive, depends on one's point of view. The stark contrast with the impressive Dutch figures may reflect the inefficiency of large-scale bureaucracy, or may be due to a host of technical factors. But the improved Anglo-German performance has not been easily achieved; this will be underlined by the next article, on how the BPO managed its productivity improvement over the last six years.

An aide-memoire on industry aid

IN THE past five years until now there has been no central source to which a manager could turn to find a way through the bewildering maze of potential hand-outs and y. or employing more to see whether his company can receive financial aid from the Government. But

No Government Department has drawn all the schemes together for the simple reason that there are many Departments involved. While the Department of Employment has listed the various employment schemes (most recently in the current issue of its broadsheet "Employment News"), the Department of Industry, which is the main Ministry involved, has not pulled all its schemes together in one publication. Indeed, as the question of industrial aid has always been a politically sensitive issue, it even seems reluctant to find a way of computing the total amount of money which it makes available to industry in different ways.

Now a consultancy has attempted to fill the gap, at least as far as the availability of cash is involved. A free booklet lists all the different incentives available to industry and gives contacts' telephone numbers and addresses in Whitehall and in Government offices elsewhere in the country.

Most of the maze of schemes was started somewhat unwittingly, by the last Conservative Government with its 1972 Industry Act. This piece of legislation remains the principal basis for most of the innovations, introduced by the present Labour Government, despite the fact that it introduced its own Industry Act 1975.

The 1975 Act created the National Enterprise Board, and also amended the earlier Co-operative piece of legislation — which is now being used in a way that many Co-operatives would find unacceptable. For example, it has been used, under the heading of selective financial assistance, to include the plethora of special industry schemes introduced in the past few years for areas such as clothing, electric components and redmeat slaughtering.

The booklet, prepared and published by Arthur Young McClelland Moores and Co., picks its way briefly through these and many other schemes and also gives advice and assurances on issues such as civil servants' awareness of the need for commercial confidentiality, and how quickly one can expect the wheels of Whitehall bureaucracy to turn.

The only snag with the publication is that some of its information will quickly become out of date. Because of this the consultants say they will revise the booklet when necessary. It has indeed already been overtaken by events because the Government has just extended the lifetime of its small firms employment subsidy scheme for three months to next March, and has also introduced a 25m. drop forging aid scheme. Nevertheless, that does not detract from the overall advantage of having a central guide for the businessman.

Financial Incentives and Assistance for Industry: A summary of schemes available. Arthur Young McClelland Moores and Co., Rolls House, 7, Rolls Buildings, Fetter Lane, London EC4.

John Elliott

Learn a language fast.
face-to-face
with a native speaker
BERLITZ

With the world's most successful language teachers you can choose group tuition, private lessons or a TOTAL IMMERSION programme tailored to your own abilities and personal goals.

Also translation and interpreting services.

1 Oxford St., 5 Portman Sq., 75 Wells St., London, W.1. 01-486 1931.
Also at: Croydon, 685 2nd St., Birmingham 643 4334, Leeds 35536, Manchester 226 3307 and Edinburgh 226 2677.

01-486 1931

If you've never owned a Caterpillar Lift Truck, how do you know you have the best?

Get the facts from Cat.

If you change to Caterpillar, you can get more production, less downtime and greater value from your lift trucks.

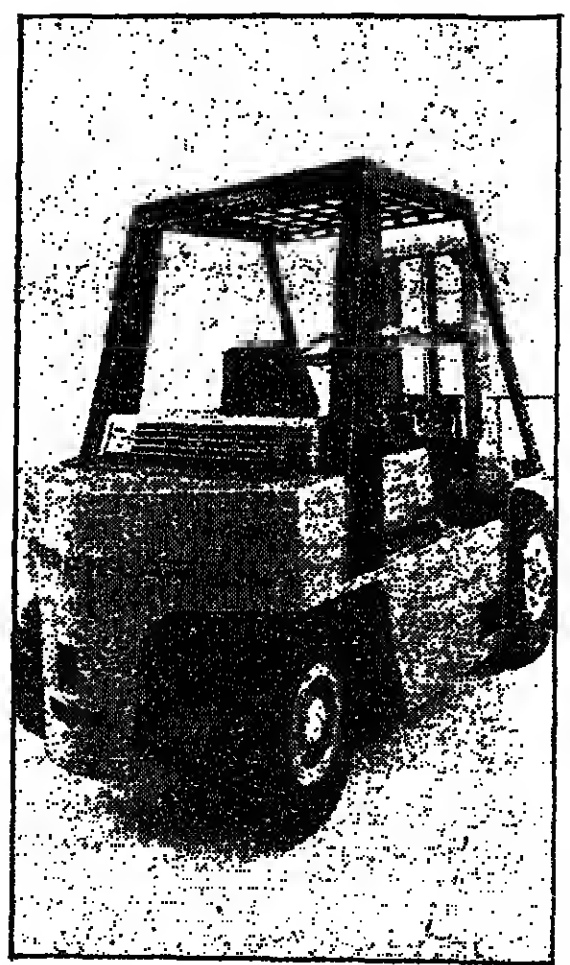
For instance: 16 Caterpillar M-Series electric lift trucks averaged no less than 97.2% availability during 31,699 service hours. That's a fact.

Before you bought Caterpillar, you'd want more proof, of course. But just consider the broad facts and back our specific claims.

Experience: Caterpillar's own 50 years reputation in machinery building combined with its acquisition of lift truck pioneer. Towmotor, puts a wealth of rugged knowledge behind the current range.

Quality: From pioneering towing trucks in 1919, and introducing one of the first conventional lift trucks in 1933, Caterpillar now manufactures in 11 countries in 19 plants that includes an all new lift truck facility where one out of every 7 men on the production line is devoted solely to quality control.

Engineering: Through heavy investment in research, development and engineering, the company now employs over 4,000 scientists and technicians in research alone to produce trucks that work better, handle easier, last longer.



Product Support: With 23 major parts depots, and 900 service outlets all computer-linked in 120 countries, Caterpillar's local dealer network can keep lift trucks working at peak performance throughout the world.

Range: To cover almost every conceivable materials handling task, Caterpillar offers 46 different models from 2,000 to 60,000 lb (1,000 to 27,300 kg) with a choice of cushion or pneumatic tyres and diesel, petrol, electric or LP Gas power.

If your trucks don't have the same pedigree, they're probably costing you productivity — and money.

Put it right by calling your Cat Dealer now.

H. Leverton & Co. Limited.
Tel: Windsor 68121
Bowmaker (Plant) Limited.
Tel: Cannock 2551
Caledonian Lift Trucks.
Tel: Airdrie 51111
McCormick Macnaughton (N.I.) Ltd.
Tel: Belfast 59251
McCormick Macnaughton Ltd.
Tel: Dublin 514222



FREE **IT'S FULL COLOUR LITERATURE**

Discover the facts behind industry's £2000m investment. First of its kind. 11 pages of Britain's biggest. Europe's biggest steel complex. Instant availability of steel products in many areas. Within 30 minutes drive of most of Britain's most beautiful national parks. House prices significantly below national average. Send for the literature.

Name _____ Position _____
Company _____ Telephone _____
Address _____

To the County Planning Officer,
Cleveland County Council,
Gurney Street, Middlesbrough,
Cleveland TS1 5ST.Telephone: (0642) 248155. Please send me the literature.

cleveland

the new centre in the North East

BUSINESS PROBLEM

BY OUR LEGAL STAFF

Striking off

A company has no debts and liquid assets of between £100 and £200. It has been suggested that this money could be paid to the Crown through the Treasury and then the company could be struck off. Is this the best thing to do?

The use of striking off pursuant to Section 383 of the Companies Act, 1948, is common where solvent companies cease to trade. Assets left in the company at the date of its striking off would vest in the Crown; so that payment out should be made before striking off — however, such payments would have to be effected as dividends. This should not present a problem where the amount involved is as small as you indicate.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY
Telegrams: Finantime, London PS4. Telex: 585341/2, 583387
Telephone: 01-248 8000

Wednesday November 16 1977

A spectacular gesture

PRESIDENT SADAT'S offer to go even to the Knesset in Jerusalem if necessary to discuss peace in the Middle East may have started as a rhetorical flourish. It has now been taken seriously by Mr. Menachem Begin, Israel's Prime Minister, to the extent that an invitation has been issued and the ways of means of executing this exceptional visit are now being examined.

There could still be many bitches to prevent this extraordinary event coming about, particularly as a result of hostility from the Arab side. Some Arabs and outside observers have taken Mr. Sadat's announcement as a sign of desperation from a head of State who needs the reconvening of the Geneva peace conference or any spectacular gesture in that direction to prevent his downfall at home. The Palestinians are convinced that such a visit would be a betrayal of their cause.

Syria, where Mr. Sadat arrives tomorrow for talks with President Assad, is suspicious that what Egypt has in mind is a third bilateral agreement with Israel — isolating Damascus further. Inevitably, a race can be made for each of these arguments. But the point remains that President Sadat has been careful not to put forward preconditions which Israel could easily reject. He has said he wants to talk to all the members of the Knesset, and Mr. Begin in particular. But he has not given himself a negotiating brief.

No substitute

The Israeli Foreign Ministry, in its first reactions, has put the suggested visit into context. It has said — correctly — that it cannot be a substitute for negotiations. It can only improve the atmosphere psychologically.

This is true, but a visit to Jerusalem by Mr. Sadat, arguably the most important leader in the Arab world would amount to the ultimate in gestures towards negotiations. It would be a sign by Sadat that he had travelled the last mile to indicate that he is serious in his Geneva.

A clearer CBI voice

THE day-and-a-half conference of the Confederation of British Industry which ended in British town yesterday, the first of its kind which it has ever held, turned out in the event to justify the belief that such an experiment would help to strengthen the self-confidence and therefore the influence of the organisation. There were two opposing risks involved in the experiment. One was that so many extreme right-wing or old-fashioned views would be publicly aired, especially on the subject of trade unions, that the standing of the CBI as a negotiating body would be damaged rather than enhanced in the eyes of the general public. The other was that the speakers would aim so single-mindedly at respectable moderation and consensus as to create an overwhelming impression of grey impersonality.

In fact, both dangers were avoided. Certainly there were many speakers to voice their doubts about the general attitude of the CBI towards co-operation with the government and the TUC and still more to criticise strongly particular aspects of government policy towards business. Certainly, too, there was a marked tendency among the majority towards moderation. But the general result was to give the CBI more life and the appearance of more life together.

Business doubts

Employers, as Lord Watkinson put it yesterday, found their voice in Brighton — and this, after all, was the main object of holding the conference. Some people have suggested that it was no more than a publicity stunt; they are wrong. The CBI, which represents all sorts and sizes of business, suffered for some years from difficulty in satisfying the business community as a whole that it was capable of performing the important task of outlining the business view on effectively to government without moving too far towards compromise in the process. It emerged from a widespread feeling that firms

attitude towards seeking a settlement with Israel.

Such a visit would be the most visible indication of Arab readiness to move towards recognition of the state of Israel, but it would not remove the substantive problems between the two sides. And even before negotiations, the Arabs are beset by divisions and reservations which could still prevent any progress towards Geneva. The Syrians, for example, are concerned that Mr. Sadat's gesture might turn into a substitute for negotiations at Geneva and undermine their committed support for the Palestinians and the Palestine Liberation Organisation. There remains, too, the shadowy but crucial role of Saudi Arabia, whose behind-the-scenes influence, through the U.S., and through its oil wealth, on all the key Arab states and the PLO, can make or break negotiations. Above all, for Saudi Arabia, the first two Moslem Holy Cities, there is the significance of Mr. Sadat's visit to Jerusalem, the third Holy City, whose eastern section has been annexed by Israel.

Flexibility

Although Mr. Sadat's visit might have only atmospheric importance immediately, it constitutes a direct challenge to Mr. Begin to show flexibility. When he came to power, his avowed unwillingness to give back any portion of the West Bank and his adamant refusal to negotiate with the PLO in any guise, initially marked his government as the most intransigent ever to have emerged in Israel. The views of his Likud government seemed to put in peril the Geneva conference itself and to raise again the possibilities of war. Since then, he has skilfully given the impression that Israel is the side most willing to negotiate, and that it is the Arabs, by contrast, which were putting up the obstacles. Mr. Sadat, if he goes to Jerusalem will have topped that. It will then fall to others, Egypt's Arab allies and the U.S., to build on the momentum Mr. Sadat will have created by going to Jerusalem to ensure that this path subsequently leads to Geneva.

HALFTIME AT BELGRADE

The West finds a chink in the Soviet armour

A CRUCIAL juncture has been reached at the 35-nation Belgrade conference on Security and Co-operation in Europe (CSCE), the follow-up to the Helsinki Conference. After six weeks of initially gentlemanly and later increasingly angry debates about the overall record in implementing the so-called Final Act, the Helsinki agreement signed in the summer of 1975, the meeting this week enters the phase of decision-making.

The 420 delegates, representing 33 European countries plus the U.S. and Canada, will have to take unanimous decisions about the concluding document. That, in turn, should contain references to the examination of the record in carrying out the Helsinki provisions as well as conclusions about future conduct. Last but not least, the diplomats cannot leave the glass palace on the bank of the Sava river before agreeing on the date and place of another similar review conference.

The stage was set after long wrangling over procedures at the preparatory talks held here last summer. "What are the issues at stake?" As spelled out in the Helsinki final act, the subjects are classified in three so-called baskets — security in Europe with special emphasis on confidence-building measures; economic, scientific and technological cooperation; and humanitarian issues, which means freer human contacts, freer flow of information, co-operation in culture and education.

The original Western proposal, put forward by Britain, Canada, the Netherlands and Norway, went even further, calling for notification of manoeuvres involving more than 10,000 troops, while the Helsinki Act stipulated only notification of manoeuvres exceeding a total of 25,000 troops. Observers from other states were to be offered better access and more information under the Western proposal, including the provision of maps, means of transportation, and permission to use binoculars.

Apart from dropping dark hints about the "real purpose" of collecting such detailed information, the Soviet side has so far failed to respond in substance to this offensive on confidence-building measures. Instead it rebased previous grandiose disarmament schemes. They included a commitment to abstain from making first use of nuclear weapons, something long ago rejected by Nato. The Russians also proposed that existing alliances should not be enlarged by including new members, something obviously aimed at keeping Spain from eventually entering Nato.

Even in the debate of the seemingly innocuous Basket Two about economic, scientific and technological co-operation, the western and neutral participants managed to put the easterners into an embarrassing position. While the communist side, specifically the Poles and Czechs, were pressing for faster liberalisation and reduction of trade obstacles, the Austrian delegate in the closed session of the relevant working group pointed out the need for better economic and commercial information.

The Austrians further suggested the issue of six month multiple re-entry visas for businessmen, the prompt publication of basic statistics about production, trade, export and import plans, and even about export subsidies, and the dismantling of legal and administrative barriers blocking access to the ultimate customer. Without adequate and regular publication of information, East-West trade cannot rise above present levels, the Soviet bloc was told.



Mr. Arthur Goldberg: is there anything behind the facade?

As for scientific and technological co-operation, a story told by Prof. Andrzej Korbonski of the U.S. delegation speaks for itself: an American student, working on the Uzbek language in Soviet Central Asia, had to wait seven months before receiving permission to use the facilities of the Uzbek Academy of Sciences. He worked there for one day and was promised that he could return. There he left his notes in the Academy. The next day he was informed he could not re-enter because his notes did not pertain to the research he was officially conducting. This case helps to explain why the West also put forward a proposal to facilitate direct contacts between scientists and experts.

As expected, the sharpest confrontations have taken place over the Soviet bloc's failure to comply with the provisions about human rights in the Helsinki Act. From the very beginning the West has taken the initiative here. The U.S. delegate Mr. Arthur Goldberg, the former Secretary of Labour, Supreme Court Judge, and representative to the UN, was asked by President Carter less than one month before the Belgrade Conference to re-enter diplomatic life after a nine-year absence. The 68-year-old lawyer, whose appearance sometimes reminds delegates of Harpo, the Marx Brother, made it clear from the outset that there was a direct connection between human rights and détente, that one had to discuss the record frankly and to seek improvements to convince

people that détente brings practical benefits to their daily lives. General speeches about human rights avoiding specific references to the Prague trial of dissidents and to the harassment and arrest of people for peaceful dissent or religious beliefs would be a mockery, he said.

Both Mr. Goldberg and other western participants made it clear that there must be progress in the area of human rights if the entire exercise is to have credibility. While the Soviet bloc kept insisting on Principle Six of the Helsinki Act about non-intervention in internal affairs, the West and the neutrals argued that human rights were no longer an internal matter but a matter of principle in the Final Act, governed by international agreements to which the Soviet Union and its allies had subscribed in Helsinki.

It was at this moment that made little by little the East changed tactics. Last Friday the Soviet bloc swapped a trial of their three prominent dissidents, Mr. Yuri Orlov, Mr. Alexander Ginzburg, and three months for a week on urgent family business; and three months for a week on urgent family business; and three months for a week on urgent family business.

Turn the tables

For the Russians the entire conference is in the words of a western diplomat an exercise to limit damage. At the preparatory talks, the Soviet side wanted to avoid a separation of the main items and managed to push through an agenda which includes both a review of an implementation of the Final Act and of proposals to deepen détente and co-operation. The West managed to turn the tables and the Soviet Union and its

the Americans, have "no moral credibility whatsoever" to sit in judgment on them. But their repeated warnings, threats of a walkout and a rupture of the conference are not really taken seriously.

As far as the West is concerned, co-ordination within the EEC and Nato group is much better than during the preparatory talks last summer.

Mr. Goldberg, who often departs from his prepared text may steal the limelight. But the Dutch, Belgians, West Germans and, if somewhat more muted, the British were quite well spoken at the closed plenary and commission meetings. They regard to the jumbling of some western broadcasts, a German delegate said that the allegations of to-day were the trifles of tomorrow as shown by the de-Stalinisation campaigns in eastern Europe.

The Soviets have so far failed to split the West. If anything, the Soviet bloc is less united than before. But at the same time the atmosphere permeated with suspicion about the super-power relationship.

How credible is the American commitment to human rights? Mr. Goldberg has managed to prod, to cajole and to shame the Russians into a kind of dialogue on human rights. But is it my rhetoric produced for domestic consumption and for the stiff trade unionists and congressmen? Recently, after a head clash between Mr. Goldberg and Mr. Yuri Vorontsov, a Soviet chief delegate, a U.S. spokesman told the press that "we don't take Vorontsov's warnings more seriously than the previous ones." An American journalist retorted: "Do they Vorontsov take Goldberg seriously?"

Is there something deeper behind the facade of confrontation? The personal relationship between Mr. Goldberg and Mr. Vorontsov has not suffered from the seemingly unexchanged Mr. Goldberg is fagged if confronted with the reference gossip that he infers the Russians beforehand of particularly sharp intervention. The person of the ambassador must be divorced from official position and this is first rule of diplomacy, explains.

In any case, the conference has just started, what is the point of a "turn of tables" call? The real di-

...the East changed tactics. Last Friday the Soviet bloc swapped a trial of their three prominent dissidents, Mr. Yuri Orlov, Mr. Alexander Ginzburg, and three months for a week on urgent family business; and three months for a week on urgent family business; and three months for a week on urgent family business.

...the East changed tactics. Last Friday the Soviet bloc swapped a trial of their three prominent dissidents, Mr. Yuri Orlov, Mr. Alexander Ginzburg, and three months for a week on urgent family business; and three months for a week on urgent family business; and three months for a week on urgent family business.

MEN AND MATTERS

Probing the Leyland psyche

You have long been able to produce an apprehensive quiver in any British Leyland executive by mentioning the word Datsun: the same effect can now be achieved by mentioning the name Eric Jones. His sudden appearance on the Leyland scene is a proof that the diminutive new boss, Michael Edwards, is not observing many old-fashioned niceties in making his presence felt. Jones is an industrial psychologist, whom Edwards has hired on a two-year contract to test and assess all Leyland's top men. The probing has already begun, with several nervous managers having made their way from Coventry to the London headquarters to be put through Jones's five-hour grilling.

One Leyland executive told me yesterday: "Obviously there are some doubts around." That is perhaps an understatement. The report drawn up after each psychological assessment will be sent to the individual's immediate superior, who will discuss it with him—but not let him see it. All reports are filed.

Any suggestion of a "1984" element in this Edwards' innovation is dismissed by his personal assistant John McKay. He has come across to Leyland from Chloride, where Edwards put 1,800 senior members of staff "over the hurdles" psychologically. McKay told me: "A measure of the success of the system at Chloride is that people who were assessed put in demands to have their own staff tested." I asked whether there had been any revelations at Chloride. Was anyone found, for instance, to be clinically insane? Happily, there was nothing like that—there was not even one sacking, although certain square pegs were removed from round holes.

Edwards's addiction to psychological testing began when he was head of African operations for his former company. He was pleased with the results of the American system he used then on employees in Rhodesia, Zambia and South Africa itself. The grey-haired Jones is using a similar approach. His style is described by one of his subjects—or victims, if you look at it that way—as "leadpan and clinical." According to McKay, one result of taking the test is that it clears up your secret doubts about your own potential.

he was head of African operations for his former company. He was pleased with the results of the American system he used then on employees in Rhodesia, Zambia and South Africa itself. The grey-haired Jones is using a similar approach. His style is described by one of his subjects—or victims, if you look at it that way—as "leadpan and clinical." According to McKay, one result of taking the test is that it clears up your secret doubts about your own potential.

Among the very first Leyland executives to be confronted by Jones was Brian Lane, London-based manager of corporate personal programmes. "I was a bit apprehensive at first," he admits. "But it was relatively painless." He adds with some relief: "My own boss, Pat Lowry, has already told me there is nothing to worry about in my report." Was the test very American? "Well, there was one question on George Washington that I couldn't answer." Maybe it would be more apposite to drop in the occasional reference about Emperor Hirohito.

At last a whiff of success on the prices front for the beleaguered French Prime Minister Raymond Barre. For the past week he has been trying to hold down the price of croissants, chocolate eclairs and fruit tarts (to say nothing of fish and restaurant drinks). All this is in the face of a spiralling food price index and a shopkeepers' protest strike to boot.

But help is in hand from the deep south, where this year's truffle harvest is excellent. Truffle prices have come down sharply as a result. The season's first truffle market took place over the weekend at Uzès in the Gard department and an exceptional crop of around 800 kilos was sold at between 200 and 220 francs (about £26) per kilo—a good third lower than last year.

Hunted veg

At last a whiff of success on the prices front for the beleaguered French Prime Minister Raymond Barre. For the past week he has been trying to hold down the price of croissants, chocolate eclairs and fruit tarts (to say nothing of fish and restaurant drinks). All this is in the face of a spiralling food price index and a shopkeepers' protest strike to boot.

The truffle is perhaps the only vegetable which can claim to be hunted rather than grown. Specially trained dogs and pigs are used to sniff out the highly perfumed fungi which grow beneath the surface of the foot hills in areas like Uzès.

Young Turks and Caicos

Grand affairs like the Rhodesia peace plan may preoccupy Foreign Secretary David Owen at the moment, but should the diplomatic doctor wish to display his talents upon a smaller stage he might spare a little time for the Turks and Caicos Islands in the Caribbean.

The islands (land area 168 square miles, population 8,000) are at the southern end of the Bahamas chain and form one of the remaining British crown colonies. They have a resident Governor, Arthur Watson, but a new constitution last year gave more power to the local Legislative Council, which is controlled by Chief Minister J. A. G. McCartney and his recently-formed People's Democratic Movement.

"Jags" and Governor Watson are currently at loggerheads over the development of the islands and even farther away London has now been dragged into the dispute. This centres upon whether or not the islands should go ahead with a planned hotel-casino complex. "Jags" and his Ministers, having signed an agreement with the developer, are anxious to proceed at full speed HMG says no.

The impasse led last week to what Jags (at 31, the youngest political leader in office in the Commonwealth) described as "a formal, non-violent demonstration" outside Governor Watson's office, led by himself and his Ministers. Whether or not the Turks and Caicos has casinos, the Chief Minister believes is no business of Governor Watson or the Foreign and Commonwealth Office, who should confine themselves to matters of the islands' defence and external affairs.

This view is not, however, shared in London by Patrick Duff, who as head of the FCO's West Indies Department, fills the role of Head of Protocol in the dispute. "Oh, yes, I've talked to them. They've all gone home now, old boy, the imperturbable Duff said, when I rang to inquire after the fate of the beleaguered Governor.

"A Foreign Office man of the old school, Duff emphasised the need for wise and cool-headed island administration, development along 'careful lines' (tricky things, casinos) and the necessity for proper gaming regulations before 'gambling licences are issued."

Calling card?

American companies have now taken to "personalised" telephone selling in a big way. But all is not always plain sailing; a Washington colleague, who had to fight for weeks for the privilege of a Master Charge credit card, was astounded some months later. His wife was called up by a salesman with an ingratiating voice: "You have been such an upstanding citizen of the community that we are sending you a special Master Charge card," he said. "But," she answered "we already have one." The caller, aroused and hung up.

Northampton advertisement for Interbuild exhibition, Stand 522, Hall 5, 16-25 November. Includes text about shopping, commercial centre, and residential areas.

مكتبة الأحم

FINANCIAL TIMES SURVEY

Wednesday November 16 1977

هكمان النحل

SYRIA

After seven years of steady rule, Syria has become an influential power in the Arab world. But at home, the economy is suffering from shortage of funds, and the Ba'ath Party needs a new lease of life. Much depends on the Middle East peace negotiations.

place of strife

Anthony McDermott

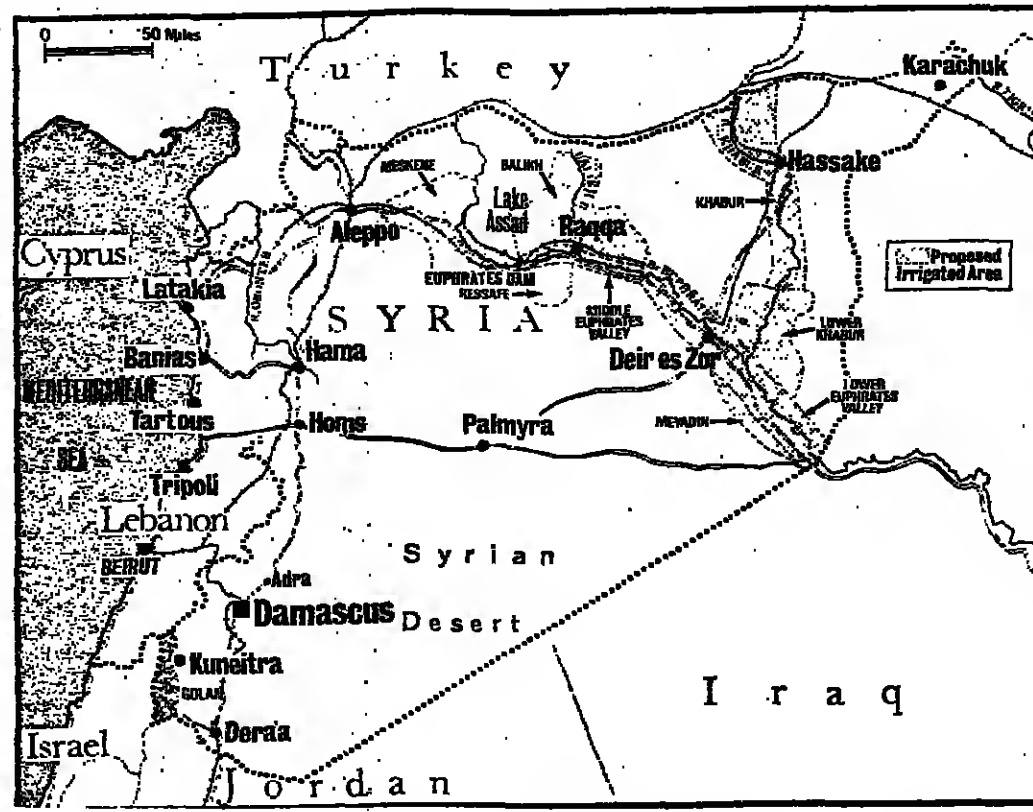
SEVEN YEARS ago today, President Hafez Assad came to power in a bloodless coup. The significant difference between a coup and the string of 20 so which had preceded it and Syria's developing closer links with Jordan. Some have years ago, is that President Assad has remained in power enabled the country in existence, in comparative terms, which it had not known hitherto.

This is not to say that Syria is immune to the stresses and strains which used to lie at the root of its chronic instability. At home, with an economic downturn after a decade in the years 1974-75, some of the inter-confessional rivalry seem to be reappearing and economic inequality exposed. Involvement in the civil war in Lebanon has turned out to be an undertaking, although its significance is increased, because of its close ties with Jordan far more complex, risky and, because of its more complex nature than had more influence on the PLO

than any other country, and in spite of having curbed the power of the Palestinians during the Lebanese civil war. Furthermore, its conditions for attending the Geneva conference—both in terms of procedure and in terms of subjects for negotiations—are more rigorous and determined than other Arab states. This has meant that within the next few weeks Syria is going to decide whether to make some compromise, particularly on the nature of PLO representation at Geneva, to enable the conference to start, or to hold out for its principles with the possible result that other states might go to Geneva without it. The other effect could be that its conditions could be too rigid to permit the conference to start or for any headway in negotiations to be made.

The conflict with Israel hangs over all developments. Defence at present consumes 60 per cent of current expenditure. Syria's national pride has been hurt by Israel's continuing occupation of the Golan Heights, and its military capabilities have been overstretched for the purposes of war with Israel by the presence of 30,000 troops in Lebanon under the guise of the Arab Deterrent Force. The tinderbox tension in the south of Lebanon, where Palestinian and left wing Lebanese Moslem forces in conflict with Israeli-backed Maronite troops last week provoked heavy Israeli air retaliation, could undermine Syria's policy of trying to rebuild Lebanon (as a sympathetic ally) or even endanger Geneva.

This has profound implications at home. In the two years



government which was displayed in a surprisingly low turnout at the elections to the People's Council in August. The Ba'ath Party, it seems, is failing to provide the political guidance and enthusiasm which it did in the past. Indeed, some observers maintain that Syria's youth today attend the mosques where their fathers would have turned in the past to the party. The Ba'ath Party remains the dominating political force in formal terms, through its regional and national commands. It is the main component of the National Progressive Front, comprising four other parties including communists and various shades of socialists, and it holds the largest number of seats in the cabinet.

In some ways, this lack of response must be disappointing to President Assad, for although Syria is a security-conscious but not an oppressive country, it has, during his years in power, become relatively more relaxed. The reason for the lack of interest in politics must lie with the gradual transformation of rule from being party-dominated as it was between 1966 and 1970. It remains to be seen whether the next Presidential term, for which elections are to be held in March, will find a new role for the Ba'ath Party.

Another disturbing feature has been a series of bombings and assassinations. Officially they have been attributed to the activities of Egyptian agents. But the pattern suggests that Syria remains as always subject to internal disunity, and to political currents in the Arab world as a whole. This cynicism is echoed by a disturbing apathy towards

BASIC STATISTICS	
Area	71,498 sq. miles
Population (1976)	7.6m.
GNP (1974)	\$3,999m.
Per capita (1974)	\$560
Trade (1976)	
Imports	\$89,214m.
Exports	\$84,144m.
Imports from U.K.	\$64,266m.
Exports to U.K.	\$7,677m.
Currency: Syrian £	
	£1 = S£7.076

"no war, no peace" in the Middle East, it is reckoned that President Assad may find the pressure from his economic and political difficulties building up. Consideration of the war option against Israel—the absence of diplomatic pressure—would then become more important, and with it the need to increase centralised control. It is likely that some of the hardliners in the Ba'ath Party would begin to argue that more liberal policies have not paid off in either political or economic spheres. At present, President Assad is better insulated against the destabilising effects at home of diplomatic immobility in the Middle East than, say, President Sadat of Egypt. The unrest of the last two years is not regarded as being a coordinated effort to unseat him. Nevertheless, a successful conference at Geneva, however unlikely it looks at the time of writing, would offer unprecedented opportunities for domestic development which Syria has never had since independence.

The General Sugar Organization

is concerned with developing sugar industry and derivatives. It supervises the general companies associated with it, namely:

- Homs Sugar Company in Homs, P.O. Box 266 Tel. 11161-11164 Cables: SABIQ.
- Al-Ghab Sugar Company in Jisr Al Shoghour Tel. 11150-11151-11152 Cables: GHAB.
- Adra Sugar Company in Damascus, P.O. Box 833 Tel. 332004-332741 Cables: SUGRAT.

Four new sugar plants are being constructed at present in Dabzoz, Raqqa, Maskanah, Tal Sahab of Hama at a capacity of 4000 tons beet root per day for each plant.

THE GENERAL ORGANISATION FOR CEMENT DAMASCUS—SYRIAN ARAB REPUBLIC

supervises the following companies:

- ★ The National Company for Cement and Building Materials Portland—Asbestos
- ★ The Syrian Company for Cement and Building Materials Portland—Porcelain
- ★ Al-Shahba Company for Cement and Building Materials Portland.

THE GENERAL ORGANISATION FOR FOOD INDUSTRIES

One of the public sector companies attached to the Ministry of Industry, supervises the group of companies and factories that produce foodstuffs.

Each of the 15 companies attached to the Organisation produces one or more foodstuffs. These companies are distributed all over the country and situated according to the agricultural products of each region.

Products of the Organisation include:

Vegetable Oils — Ghee — Soap — Oil Cake — Cotton Seeds — Biscuits — Chocolates — Dried Onion — Conserved and Canned Foods — Peanuts — Milk — Yoghurt — Alcoholic drinks (wine and araq), etc.

Products of the company are exported to neighbouring Arab countries.

For export: Dried Onions — Canned and Conserved Foods — Alcoholic drinks.

Address: Damascus — P.O. Box 195 Fardoss Street — Tel. 225290 Cables: Unifood

SYRIA II

Moves for economic rationalisation

IT IS very tempting to talk of Syria as being at a crossroads. On the one hand it is often said that the country has the option of pursuing its economic liberalisation policies in the direction being followed by Egypt. It can dismantle much of the apparatus of socialism and become a mixed economy operating on broadly Western capitalist principles, even if it retains what it can afford of a welfare state, along with public ownership of the most vital services and industries. On the other, it is suggested that Syria can abandon its liberalisation and close up tight again as a rigid, centrally planned and administered socialist economy—even extending the process to involve the State taking over more of economic activity.

But to think in these terms is to misunderstand what is going on at present. The reality—regardless of the views of many Syrians involved in running the economy, who seem personally inclined towards a greater degree of free enterprise—is that the top echelons of government remain committed to a mainly socialist economy. What is known as "liberalisation" is more a rationalisation of the existing structure than a process which is going to lead inexorably to the creation of a new one.

The reference to a "mainly socialist" economy is significant, because despite the nationalisation of the 1960s, a large part of the Syrian economy is still in private hands. Besides owning most of the agricultural land, the private sector is dominant in light manufacturing, non-cotton textiles and the clothing industry. In contracting, property ownership and development, in transport, tourism (restaurants and hotels) and retailing. The private sector also accounts for some 20 to 25 per cent. of Syria's imports, even though there is a list of over 100 items where imports are still confined exclusively to government establishments. The list is composed largely of important items such as medicines, basic foods, vehicles and tyres, heavy machinery and building materials.

This leaves the private sector to compete with the State on such items as small mechanical goods and gives it the exclusive right to import anything of a semi-luxury nature, as well as allowing it to engage in the transit and re-export trade through the free zones in any goods whatsoever.

Connections

Needless to say, in every walk of life personal connections are as important as they ever were, and since government spending expanded so dramatically in 1974 and 1975, corruption has blossomed. It is difficult to say precisely how corrupt Syria is in relation to other Middle East countries—probably not all that much—but by the late summer of this year the situation had become serious enough for the President to set up a commission of inquiry and give it a free hand to investigate illicit gains, tax evasion and corrupt practices.

At the same time 28 people, including private merchants as well as senior officials in State corporations, were arrested, while others were put under investigation and/or had property sequestered. Apart from evading taxes (a mainly private sector offence in this instance), it had been discovered that the offenders were cheating the government on State export contracts or taking vast commissions when awarding contracts for projects being financed with Saudi or Gulf money.

The President's action has already intensified the debate in the Government over whether the "liberalisation" process is desirable or not.

However, although it is necessary to stress the continuing role of the private sector and the scale of the wealth gap and of corruption in Syria it is still true that in the main Syria's economy is austere, largely State-owned and closely administered.

The public sector, which accounts for almost 60 per cent. of GNP, controls all aspects of the oil industry, the exploitation of all non-oil minerals, the spinning and the cotton textile industry, certain types of construction activity (where the private sector has not established its own enterprises) and heavy and medium industry. The State also handles virtually all exports and most imports, and it exercises a very close control over the importing business as a whole.

Although the list is smaller than it used to be, there is still a large range of imports which are prohibited, while all items, whether being brought in by the private or public sector have to be granted an import licence by the Ministry of the Economy and Foreign Trade. Similarly both

Sector	1970	1971	1972	1973	1974	1975	1976
Agriculture*	1,380	1,627	2,352	1,709	2,045	2,623	4,423
Industry†	1,264	1,450	1,729	1,942	2,758	4,334	5,171
Construction	225	297	331	395	704	1,146	1,942
Transport and communication	639	812	704	1,043	1,003	1,383	1,188
Trade	1,172	1,323	1,642	1,719	3,089	3,488	4,42
Finance and insurance	120	131	157	161	186	122	12
Rents	492	534	656	578	613	668	72
Government	711	816	919	1,196	1,666	2,510	2,831
Other services	424	436	501	666	865	1,119	1,37
Total GDP	6,433	7,448	8,891	9,413	14,869	18,395	22,15

* Includes forestry and fisheries. † Manufacturing, mining, electricity, gas and water. Source: Central Bureau of Statistics.

	1973	1974	1975	1976*
Goods and services	-53.4	-244.6	-504.9	-1,062.3
Exports (f.o.b.)	294.0	650.9	765.9	922.6
Imports (c.i.f.)	-514.0	-932.8	-1,268.1	-2,966.4†
Trade balance	-220.0	-281.9	-502.2	-1,043.8
Receipts from services	226.8	292.9	316.1	272.7
Payments for services	-65.4	-261.6	-318.8	-291.2
Net services	161.4	37.3	-2.7	-18.5
Transfer payments (net)	336.6	382.9	581.4	393.5
Private Official	30.7	37.3	43.4	45.7
Non-monetary capital (net)	299.9	245.6	528.0	347.8
Private Official	20.9	-0.5	-7.8	233.5
Private Official	-21.7	14.0	15.1	62.4
Official	42.6	-14.3	-22.9	171.1
Net errors and omissions	-40.6	-6.0	-4.2	11.1
Overall surplus or deficit (-)	232.5	131.8	64.5	-424.3
Monetary movements (increase in assets (-))	-232.5	-131.8	-64.5	424.3
Conversion rates (LS per SDR)	4.5549	4.4768	4.4924	4.4882

* Preliminary † Including imports of non-monetary gold valued at SDR 326m. Source: Central Bank of Syria

State and private sectors are liable to pay a comprehensive range of tariffs varying from 1 per cent. to 250 per cent. (this being the level applied to motor cars), which are applied partly to protect local industries and partly to help conserve foreign exchange.

There is an extensive system of price controls, applying to all food items and important categories of consumer goods such as cloth. Generally speaking the closer one approaches to goods classified as luxuries or semi-luxuries, the less extensive are the price controls.

Inevitably the controls are backed up with subsidies costing up to ESy2bn. (\$0.5bn.) in 1976 on a wide range of goods including, as some of the most important items, meat, sugar, rice, coffee, bread and gas oil. Most of these items are free in the market even though they are subsidised, in the sense that you can buy as much as you like at the subsidised price. But certain items, namely rice, sugar and cotton seed oil, are sold only in limited quantities to each person against his or her coupon issued by the Ministry of Supply. If you want to buy more than your ration you have to pay the open market price.

Subsidies

In most instances the subsidies are big—sugar is ESy. 0.85 per kilo at the coupon price and ESy. 3.33 on the open market, while the comparable prices for gas oil are ESy. 2.90 per gallon and ESy. 12.00. Consequently the subsidies are a significant drain on Government revenues, and the Chamber of Commerce, which in a low key way represents a force for liberalisation in the country, has suggested that instead of maintaining such a high (and increasing) level of subsidies, the Government should raise public sector salaries. This, the Chamber rightly argues, would create a more natural market.

Since President Assad came to power seven years ago there has been a gradual rationalisation of the system. Apart from the considerable and continuing relaxation of exchange controls, the main changes have been that the Government now grants import licences to the private sector much more readily than it used to.

Both private traders and State organisations now import far more items of the semi-luxury type. The main reason for this is that standards of living, particularly among the middle classes, have risen in the past three years or so and demand can no longer be met from domestic sources.

But at the same time the Government does not feel that it is losing much foreign ex-

change by relaxing its import controls. It is reckoned that the greater supply of semi-luxury goods helps attract tourists and short-term visitors from Jordan and Lebanon, who themselves bring in foreign exchange. On the same principle much of the private sector's imports are financed with foreign exchange which is already held abroad and are therefore not drain on the State's reserves. And always to the back of the Government's mind is the consideration that a more liberal policy on imports helps fight inflation.

The private sector is also being encouraged to invest in the Syrian economy through the establishment of six free zones, through a much easier policy on the granting of construction permits and licences, for machinery imports, and various new tax concessions. Income-tax and profits tax rates have always been low in Syria and have not been reduced, but investors in industrial projects get a three-year tax holiday from profits tax and property tax (normally applied to plant as well as buildings) when their factories come on stream. They are also exempted from paying customs duties on necessary capital imports and from paying tax on that part of their profits which they retain for expanding their businesses.

The only examples of Western or non-Governmental Arab investment completed or under negotiation are the Spanish involvement in the Aleppo tractor factory, which has suffered from poor management, the small French stake in the CIT-Alcatel telephone equipment plant now under construction, some possible investments in housing and tourism now being discussed with Shakhia Badriah of Kuwait, and (although this falls into a rather different category) three oil contracts signed or about to be signed.

There are several reasons for the reluctance of foreign investors to commit their money to Syria. The most important is that in any investment involving a Government organisation as a partner the Syrians will insist on having a 51 per cent. share, which means that foreign companies may find themselves landed with bad management which they are unable to change. Then there is the smallness of the Syrian market and the difficulty of reporting to neighbouring markets which are either already more developed than Syria or are rich that they can afford to invest in higher quality Western goods. Thirdly, there is the fear of non-commercial risks in the form of war damage—though the other major category of commercial risk, a new programme of nationalisation, apparently not such a serious deterrent to investors.

Lastly, there is the feeling that the Syrians may not be much committed to ensuring the success of foreign investment in their country until they are dealing with foreign investors on a case-by-case basis, involving the Government passing special law "sanctifying" the terms of each individual investment agreement, and introducing thoroughgoing legislation to open up the country to foreign investment.

The overall result of this is that most of the foreign investments being talked about in Syria at present involve so-called multi-national Arab-Government institutions, and that with West the Government is preoccupied with arranging bilateral agreements which it will prepare the ground investment. Three bilateral investment guarantee agreements have been signed—with the U West-Germany and Switzerland—and a fourth, with Iraq, was initiated in late October.

Agreement

With Britain a similar agreement will probably wait until British company shows signs of wanting to invest in Syria. Meanwhile it is hoped that next year there will be the first meeting of the U.K.-Syria Joint Economic Commission which was agreed on in September 1976. The commission is supposed to sort out problems (probably to be chosen by U.K. Department of Trade which will be reserved for British companies—with the condition that as a quid pro quo the British will provide the same credits.

Unless there is any unexpected upsurge in investment, seems likely that in the medium-term future the Syrian economy is going to remain generally stagnant, which it has been for the past thirty years. Syria is not having really acute economic problems of the sort that some other Middle East countries have, and over the years it has managed to build up a modest amount of foreign reserves. Together, these factors have given Syria a look of relative prosperity.

But in no sense can the country be described as being successful or dynamic. Syria is extremely bureaucratic and suffers from the Middle East tendency (found in its worst in the socialist countries where the State apparatus is bigger) for officials to be taking decisions and to solve all problems up in the direct of their minister or state party director. Despite the volume of foreign investment, the mobility of Western standards and, as in Iraq (though of a lesser scale) the Government has a preference for appointing Ba'ath party members to positions without proper regard to qualifications.

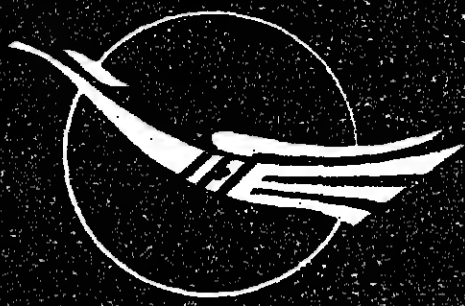
State industries and construction projects are generally badly run, and when profits are planned there is a tendency for the authorities to negotiate simply on arrangements for the execution of the project and to neglect to lay out a safe surplus of raw materials management and to ensure proper marketing.

Syria's development has been further hindered by a continuing forward lack of money. Because it has failed to achieve the growth needed to generate funds from internal sources, it is to rely for development funds on cheap suppliers' credits, on direct aid and budgetary aid and grants from abroad.

Continued on next page

SYRIAN ARAB AIRLINES

Jetspeeds you in comfort and safety to 25 cities in Middle East, Near East and Europe.



SYRIAN AIR

LONDON:
Syrian Arab Airlines
62 Piccadilly, W.1
Phone: 01-493 2851/2/3

MUNICH:
Syrian Arab Airlines
8 Munich 2 Maximiliansplatz 12A

PARIS:
Syrian Arab Airlines
1, rue Auber, PARIS—9me.
Phone: 073.3115/6

ROME:
Syrian Arab Airlines
13, Via Barberini
Phone: 479.902—435/154

Head Office: Youssef Al-Azmet Square,
P.O. Box 917—DAMASCUS

Sales & Reservations: Phone: 22360/1/2—
19192—227163

Damascus International Airport: 555600/1

GENERAL ORGANISATION FOR TEXTILE INDUSTRY

DAMASCUS — SYRIA
Fardoss Street
P.O. Box 620. Telex 11011

The main production of the Union's plants are:

- Cotton yarns and fabrics
- Woollen pure and mixed yarns and fabrics
- Silk fabrics
- Underwear and ready-made cloths
- Synthetic yarns
- All kinds of socks and stockings
- Woollen machine-made carpets
- Silk machine-made carpets
- Antiseptic gauze and hydrophile cotton

THE GENERAL ORGANIZATION FOR ENGINEERING INDUSTRIES

One of the most important public sector companies which supervises the activities of the public engineering sector. Nine companies are associated with this Organization to which many plants are attached. Further, some other modern plants will soon be constructed according to the Five Year Plan of the Syrian Arab Republic.

Products of the Organization:

- REFRIGERATORS — PRESSURE COOKERS
- STOVES — ENAMELWARE — TABLE UTENSILS
- TISSUES AND SANITARY NAPKINS
- ORDINARY AND COLOUR TELEVISION SETS
- TELEPHONES — MATCHES — PENCILS
- WOOD — ROLLING MILLS
- ELECTRIC MOTORS
- CISTERN AND BATTERIES

Also an aluminium breakers plant will be opened soon in addition to a children's toy factory which is being constructed. For export: Televisions (black and white and colour), Tissues and Telephones.

Commercial Directorate:
Damascus — Baramkeh — Near the Customs
P.O. Box 3120. Cables: NICHEM

مكازم الأصيل

SYRIA III

Broader view of foreign policy

President Assad last month in a newspaper interview would be a miracle if it was not another war with Syria has for long had reputation of being the most uncompromising and most uncompromising of the Arab-Israeli conflict.

Unlike Egypt, Syria has been successful in keeping the lines of communications open to both superpowers and assured a constant supply of arms. Syria has moved a considerable distance from the days when it could be termed "rejectionist." But President Assad is often skillfully and tantalisingly elusive on the precise definition of some of his statements. In an interview with the New York Times in August, he said "When I sign an agreement ending belligerency, this means that there is another party with whom we have signed—and that Israel as a fact exists. But the desire to see a continuation of its existence—this depends on the future."

Nevertheless, he is repeatedly on record as accepting the seminal UN resolutions 242 and 338 and has expressed his willingness to sign a peace agreement in the form of a non-belligerency pact with Israel. But he wants complete return of the territories occupied by Israel in 1967 (although senior officials indicated in Damascus to the Financial Times that minor rectifications of the borders would be in order), and the full recognition of the Palestinians' rights. On this point he told the New York Times: "I mean... implementation of the UN resolution on Palestinian refugees, guaranteeing them the right of return to their original homes in Israel or compensation... the refugees must have the right to live as citizens of the state to which they return... I have in mind also that the total area of the West Bank is 5,000 kilometres, which cannot absorb all of 3m. people, but the area of Israel is 20,000 kilometres and it can... The question of whether the Palestinians should set up an independent state leaves to the PLO to decide."

Syria's attitude to the Geneva conference and both the U.S. Soviet statement and the U.S. Israeli working paper has been considerably tougher than Egypt's and reflects a basic difference between these two countries in the urgency each feels for a settlement. Syria has had its view accepted by its allies that the Arabs should be represented at Geneva by a united Arab delegation including a representative of the Palestine Liberation Organisation (PLO). However, Israel is totally opposed to the latter point, and unless the PLO's presence is blurred in some form, it will be almost impossible to hold the conference. Syria welcomed the joint superpower statement with its references to the legitimate rights of the Palestinians but typically still questioned why it did not refer either to the PLO by name or to complete withdrawal of Israel. But it was equally

disappointed by the American-Israeli working paper, its response was not to reject it but to study its contents slowly and in detail and then attempt to draw up with other Arab states a co-ordinated position. Syria's overall position is however far from being impregnable. The harsh Israeli retaliatory raids on south Lebanon ten days ago pointed up Syria's comparative military impotence. Although the Soviet Union has kept Syria well supplied, its war option in the event of diplomatic deadlock of failure is limited. First, it is unlikely that Syria would go to war without Egyptian co-operation which for some time looks impossible. Secondly, with up to 30,000 troops in Lebanon as the Arab Deterrent Force, Syria's fighting capacities are dispersed and its defences vulnerable.

In addition, Syria has often been at odds with its Arab allies. The deep division between Cairo and Damascus over the second Sinai agreement and Syria's policies in Lebanon were healed at the Riyadh meeting and Cairo summit in October 1976. Nevertheless, Syria has always been suspicious that Egypt might conclude a third bilateral deal with Israel, leaving Syria exposed to the Arab east. Syria's relations with the PLO have frequently been strained. Historically, Syria has always been more deeply involved with the Palestinians than Egypt. But the PLO views this guardianship as a mixed blessing, for it fears that a key motivation is to ensure that PLO policies should be close to Syria's views rather than any other front line State. In addition, the scars of Syria's support during one period of the Lebanese civil war for the Christians against Left-wing Moslem and Palestinian forces have not been eradicated.

Division

One reaction to Egypt's conclusion of the second agreement with Israel in Sinai in 1975 was for Syria to consolidate its position with its neighbours. Thus a close alliance has been developed with Jordan since August, 1975, which has at its basis increasingly close economic co-operation, and as a positive aim—until the spring of this year—political federation. But predictable complications holding up closer political links have arisen over the future of the West Bank and its links with Jordan if it were to become, with the Gaza Strip, a Palestinian mini-state. Undoubtedly, Syria's most risky and complicated problem is Lebanon. It intervened to hold the ring between the different warring factions. This

intervention received pan-Arab blessing through the Cairo summit conference which permitted its troops to form the bulk of the Arab peace-keeping force. But now it finds itself deeply embroiled in a problem which is both a drain on military and financial resources. It will clearly take far longer than Syria first anticipated for President Sarkis of Lebanon to be strong enough politically to deal with local competing politicians. Militarily, Sarkis is in no position to enforce order throughout the land. In the south of Lebanon, the conflict between Israeli-backed Maronite troops and Palestinian and Left-wing Moslem Lebanese forces is dangerous enough to wreck both Syrian policies in Lebanon, and, if fighting on last week's scale is repeated, the chances of holding the Geneva conference. Syria is unable to intervene directly because Israel has indicated that it will not allow Syria or other Arab forces to come closer to its northern border than a notional "red line." So far Syria has kept to this.

important. Syria has perhaps become the important and pivotal of the Arab states in negotiations. In part, this is due to Egypt turning in on itself to tackle its own problems. But it also from Syria's close association with the PLO, and from the fact that the PLO's presence is blurred in some form, it will be almost impossible to hold the conference. Syria welcomed the joint superpower statement with its references to the legitimate rights of the Palestinians but typically still questioned why it did not refer either to the PLO by name or to complete withdrawal of Israel. But it was equally

disappointed by the American-Israeli working paper, its response was not to reject it but to study its contents slowly and in detail and then attempt to draw up with other Arab states a co-ordinated position. Syria's overall position is however far from being impregnable. The harsh Israeli retaliatory raids on south Lebanon ten days ago pointed up Syria's comparative military impotence. Although the Soviet Union has kept Syria well supplied, its war option in the event of diplomatic deadlock of failure is limited. First, it is unlikely that Syria would go to war without Egyptian co-operation which for some time looks impossible. Secondly, with up to 30,000 troops in Lebanon as the Arab Deterrent Force, Syria's fighting capacities are dispersed and its defences vulnerable.

In addition, Syria has often been at odds with its Arab allies. The deep division between Cairo and Damascus over the second Sinai agreement and Syria's policies in Lebanon were healed at the Riyadh meeting and Cairo summit in October 1976. Nevertheless, Syria has always been suspicious that Egypt might conclude a third bilateral deal with Israel, leaving Syria exposed to the Arab east. Syria's relations with the PLO have frequently been strained. Historically, Syria has always been more deeply involved with the Palestinians than Egypt. But the PLO views this guardianship as a mixed blessing, for it fears that a key motivation is to ensure that PLO policies should be close to Syria's views rather than any other front line State. In addition, the scars of Syria's support during one period of the Lebanese civil war for the Christians against Left-wing Moslem and Palestinian forces have not been eradicated.

One reaction to Egypt's conclusion of the second agreement with Israel in Sinai in 1975 was for Syria to consolidate its position with its neighbours. Thus a close alliance has been developed with Jordan since August, 1975, which has at its basis increasingly close economic co-operation, and as a positive aim—until the spring of this year—political federation. But predictable complications holding up closer political links have arisen over the future of the West Bank and its links with Jordan if it were to become, with the Gaza Strip, a Palestinian mini-state. Undoubtedly, Syria's most risky and complicated problem is Lebanon. It intervened to hold the ring between the different warring factions. This

Loves

CONTINUED FROM PREVIOUS PAGE

holding back development projects. Although wages are still well below Gulf levels the rates paid to concrete layers, for instance, have multiplied by four. Technically the emigration of labour is restricted—there are 18 professions which may not leave the country without a special permit (which is not often granted)—but many skilled labourers have been able to evade these controls by misstating their professions. The only compensation for Syria is that the emigrants were thought to be remitting back not less than \$500m. in 1976—some of this money coming in the form of goods, but some of it being saved for the purpose of the earner eventually investing in a business of his own.

say whether or not Syria is in arrears in its receipts this year. To complicate matters further it has never been announced whether the donors have committed themselves to making annual payments of a specific amount at all, or whether Syria is obliged to negotiate new gifts and budget loans each year. (Project aid from the oil States' development funds is, of course, non-political and does not enter into this particular equation.) It is thought, however, that in the current year Syria has received the payments outstanding from 1976 and about half of the funds it expects to get in 1977. Meanwhile Syria has rejected outright the \$250m. Euro-loan it was offered, mainly because it is not asking for non-project-related loans (as opposed to gifts) at all at the present time, and is not anxious to borrow simply to finance more imports.

In any event Syria's budget for 1977 has been set at \$4.4bn. (of which \$2.7bn. is being spent on development). Last year the budget was originally announced in March as being \$8.5bn. and was then cut in half in June. So on paper it appears that in 1977 there has been a fractional increase in allocations, though in real terms, taking inflation into account, it is clear that in 1977 Government spending is having to be cut back still more than it was last year.

For the time being Syria's brief boom is clearly over, having left behind it not only a series of problems but also a higher standard of living for most of the population despite already been eaten away by inflation. What is depressing, though, is that in the foreseeable future it is not easy to envisage Syria having sufficient foreign exchange to resume even a moderate rate of development spending.

Of course the main reason why the Syrian inflation rate is now beginning to fall is that Government spending has dropped because in 1976 the flow of Arab oil was dramatically reduced. This was mainly a result of the oil States finding themselves spending much more of their revenues themselves than they had anticipated they would, while the Gulf sheikhdoms were also reluctant to incur the political embarrassment of openly supporting Syria at a time when that country was engaged in an expedition of unpredictable outcome in Lebanon. It is extremely difficult to judge to what extent the flow of aid has revived in 1977, though it seems that in the last month or so the situation has improved. The Syrian authorities maintain officially that the donor countries have never committed themselves to a definite timetable for paying on the construction of the jump in Government spending in Syria was a push by the influx of some refugees in 1976, and development boom in the peninsula, drawing labour out of the country precisely the moment Syria itself needed these most, so causing a wage on in the construction of engineering businesses and

Of course the main reason why the Syrian inflation rate is now beginning to fall is that Government spending has dropped because in 1976 the flow of Arab oil was dramatically reduced. This was mainly a result of the oil States finding themselves spending much more of their revenues themselves than they had anticipated they would, while the Gulf sheikhdoms were also reluctant to incur the political embarrassment of openly supporting Syria at a time when that country was engaged in an expedition of unpredictable outcome in Lebanon. It is extremely difficult to judge to what extent the flow of aid has revived in 1977, though it seems that in the last month or so the situation has improved. The Syrian authorities maintain officially that the donor countries have never committed themselves to a definite timetable for paying on the construction of the jump in Government spending in Syria was a push by the influx of some refugees in 1976, and development boom in the peninsula, drawing labour out of the country precisely the moment Syria itself needed these most, so causing a wage on in the construction of engineering businesses and

Of course the main reason why the Syrian inflation rate is now beginning to fall is that Government spending has dropped because in 1976 the flow of Arab oil was dramatically reduced. This was mainly a result of the oil States finding themselves spending much more of their revenues themselves than they had anticipated they would, while the Gulf sheikhdoms were also reluctant to incur the political embarrassment of openly supporting Syria at a time when that country was engaged in an expedition of unpredictable outcome in Lebanon. It is extremely difficult to judge to what extent the flow of aid has revived in 1977, though it seems that in the last month or so the situation has improved. The Syrian authorities maintain officially that the donor countries have never committed themselves to a definite timetable for paying on the construction of the jump in Government spending in Syria was a push by the influx of some refugees in 1976, and development boom in the peninsula, drawing labour out of the country precisely the moment Syria itself needed these most, so causing a wage on in the construction of engineering businesses and

Of course the main reason why the Syrian inflation rate is now beginning to fall is that Government spending has dropped because in 1976 the flow of Arab oil was dramatically reduced. This was mainly a result of the oil States finding themselves spending much more of their revenues themselves than they had anticipated they would, while the Gulf sheikhdoms were also reluctant to incur the political embarrassment of openly supporting Syria at a time when that country was engaged in an expedition of unpredictable outcome in Lebanon. It is extremely difficult to judge to what extent the flow of aid has revived in 1977, though it seems that in the last month or so the situation has improved. The Syrian authorities maintain officially that the donor countries have never committed themselves to a definite timetable for paying on the construction of the jump in Government spending in Syria was a push by the influx of some refugees in 1976, and development boom in the peninsula, drawing labour out of the country precisely the moment Syria itself needed these most, so causing a wage on in the construction of engineering businesses and

INTERNATIONAL FAIR OF DAMASCUS

July 5— August 1

- The largest economic international event in the Middle East.
- The main centre for all businessmen of the area.
- 2,000,000 visitors.
- More than 2,000 exhibitors.
- 270,000 sq. metres of exhibition area (approx. 2,270,000 sq. ft.)

For more information, contact:
General Directorate of the Damascus International Fair
67, Baghdad Boulevard DAMASCUS, Syria

THE MINISTRY OF PETROLEUM AND MINERAL RESOURCES

EXPLOITS AND CONTROLS OIL INDUSTRY IN SYRIA

Production in Syrian fields started in May 1968 and increased until it reached a total of 7 million cubic metres in 1974. Syrian crude oil is being refined in Homs refineries since it has been modified. Pipelines have been constructed to convey oil products from the refinery to consumption centres.

Michael Field Anthony McDermott

SYRIA IV

Political life needs a stimulus

PRESIDENT ASSAD'S seven years in power are a record term of office for a Syrian leader since the country became effectively independent in 1946. As a result, Syria has to some extent shed the reputation of being the Middle East's most coup-prone country. Nevertheless, in the last two years there has been a resurgence of symptoms of instability—reflecting as always in Syria's case a combination of external and internal stresses—on a scale widespread enough to cause concern to any ruler and to illustrate the complications of governing a country like Syria.

In portraying the mechanisms of government it is important to distinguish between the formal, visible, and often secret political bodies and President Assad's own personal governing techniques. For the major feature of his period in office is that Syria has moved from a party-led regime to a presidential system.

Formally, the Arab Socialist Ba'ath Party plays the dominant political role. This party, formed in the 1940s by two French-educated Damascus school-teachers, Michel Aflaq, an Orthodox Christian, and Salahuddin Bitar, a Sunni Moslem (both exiles since 1966) came to power in Syria in 1963. Under the banner of Unity, Freedom and Socialism, it preaches a form of progressive socialism, tinged with Marxist ingredients, but of a fundamentally pan-Arab character. In structure, the party is pyramidal, with cells and groups at the bottom culminating in two Party commands—regional (Syrian) and national (pan-Arab). In theory, the regional command is subservient to the national command, whose membership is secret, not least because some of its members belong to countries where Ba'athism is proscribed. Some people are members of both commands.

Since the ideological schism with Iraq in 1966, there have been two national commands—in Damascus and Baghdad—with the result that in Syria the regional command speaks on policy with more authority than the national command. Assad, a former Air Force commander and for many years at the heart

of the party's organisation in the armed forces, reorganised the Ba'ath Party after coming to power by having new membership to the two commands chosen by party congresses. He is secretary-general of both being the Middle East's most coup-prone country. Nevertheless, in the last two years there has been a resurgence of symptoms of instability—reflecting as always in Syria's case a combination of external and internal stresses—on a scale widespread enough to cause concern to any ruler and to illustrate the complications of governing a country like Syria.

The Ba'ath Party is also the dominating force in the National Progressive Front, which came into being in March, 1972. This is a coalition of the Ba'ath Party, the Communist Party, the Arab Socialist Movement, the Arab Socialist Movement, and the Arab Socialist Movement. The Front was created in part to broaden the political base of Assad's government, but the extent to which any party but the Ba'ath is able to initiate policy or change programmes is limited. All these parties, and some independents, are represented in the People's Council, whose main role is to ratify decisions already taken elsewhere in the political establishment.

Trends

Two trends are apparent in President Assad's government. The first is to soften and liberalise the role of his predecessors and for this reason his takeover in November 1970 is officially referred to as a "correctional movement." Travel restrictions were made easier. The local press is the mouthpiece of the government and incoming newspapers are censored, but there are available a far wider range of non-Syrian newspapers and magazines than before and certainly more than in Iraq. The rules for foreign trade have been eased and Assad made a positive effort to lure back the thousands of Syrians living abroad. Last December most of the restrictions on the diminished community of 4,000 Jews (mainly involving emigration, movement within Syria, education and access to government jobs) were, in theory, removed. Security is undoubtedly tight and loose-limbed youths in plain clothes and totting machine guns are everywhere in the capital, but while in Iraq the presence of these forces is palpably oppressive, in Syria the sense is by comparison of these forces being offstage in

the background for use if necessary. The second trend has been the search for greater constitutionality and a broader political base. This in part stems from Assad's consciousness of being Syria's first Alawite president—the Alawites being a minority Moslem sect of heterodox Shi'ite derivation. Thus since 1970, Assad has had presidential elections (March 1971) and formed the People's Council, Syria's first legislative body since 1966. Elections to the council which were considered to be generally free were held in May 1973. In March of that year Syria's first permanent constitution since 1961 was promulgated. (The passing of the constitution was not without problems, for initially it did not say that Islam was a state religion. After riots in Homs and Hama it was amended.)

In the end and in practice, rula means President Assad. Apart from his skill in manoeuvring himself bloodlessly into power, his greatest gift is his capacity for consulting and listening to others for hours. His closest advisers and consultants are contemporaries—often Alawites—in military, intelligence and political circles. But depending on the nature of the decision and time permitting he assiduously (and to outsiders, sometimes ponderously) consults leaders of the different religious sects and minorities—the Sunnis, Druzes and Christians—and academics until an Assad-led consensus emerges. The disadvantages of these decision-making processes have become increasingly apparent. It has made people feel initially alienated from, and, finally, hostile to the Government. President Assad received a vivid illustration of this during the parliamentary elections in August. At first the number of candidates for the 195 seats was over 2,000, but this number fell to 694 the day before the poll. Even though the campaign had been animated with newspapers urging people to vote, the turn out was about 20 per cent. This was after the booths had been kept open an extra eight hours as is legally

required in any constituency where the number of electors does not reach 50 per cent. of those registered.

Turnout

The Ba'ath Party won most seats, 125, followed by the Socialist Unionists with 12, the ASU and the Arab Socialists each with eight, the Communists with six. This low turnout may be attributed to the fact that the elections coincided, domestically, with uncertainty after a spate of bombings and assassinations, inflation and corruption in the administration, and abroad, with troops hogged down in Lebanon and relations with some Arab countries strained. But the main mood, according to observers, was one of apathy.

One of the crucial questions is the extent to which this political apathy and hostility can be linked to the bombings last autumn and more recently this July and assassinations of the past year. In most cases, the government has attributed these actions to the hostile machinations of Iraq. But the attempts on the life of Mr. Abdel-Halim Khaddam, the Foreign Minister, last December, and last month in Abu Dhabi could well be the work of extremist Palestinians. The assassination in February of Dr. Mohammed Fadil, the Rector of Damascus University, and of Brigadier Abdel-Hamid Rozouk the commander of the missile corps, last June, both Alawites, may well have come from people with a grudge against the dominant role in many spheres of the Alawite minority. In these cases and several others which are rumoured to have taken place, the official accusation contain elements of truth, but the fact remains that the complicated structure of Syrian society and the difficult economic and political circumstances through which the country is currently passing are sufficient to produce disaffection without Iraqi "help." In the end, the important conclusion is that, although rumours about rebellions are rife, these incidents do not add up to a

concerted and co-ordinated effort to unseat President Assad. His domestic policies are delicately in balance at present. In a forthright speech at the opening of the new People's Council on August 18, he announced the formation of a Committee for the Investigation of Illegal Profits under Ahmed Diab, a member of the regional command to attack corruption, and he called on Council's members to watch out for and investigate maladministration in government. The anti-corruption committee is by Legislative Decree No. 60 endowed with wide powers of investigation both legally and in the areas inside and outside government.

The committee's activities have been accompanied by a newspaper campaign, which in the case of al-Ba'ath turned into violent criticisms of the executive branch of the government. So far some 30 people have been arrested, mainly private and influential businessmen and the heads of some government industrial bodies. A dozen or so others have had their bank accounts scrutinised.

There is little doubt that one of the by-products of opening the country up to foreign investment and of the inflow of oil funds had been the growth of corruption on a massive scale to the point where the economy was being damaged. For that reason, the campaign against corruption is undoubtedly needed and popular. But underlying the general approval is a feeling of cynicism (and both hostility and apprehension amongst the urban Sunni Moslem, middle classes which have benefited by the boom and felt drawn to support Assad).

Cynicism

First, there is questioning whether maladministration (for this was one of the serious effects on the already troubled bureaucracy) can be infected by Lebanon's system which President Assad in his speech admitted was at fault. Secondly, although President Assad is known to be spotlessly austere, he announced in parliament he was handing over his property to the State and policeman and political mentor

in Lebanon until the Lebanese can handa things themselves. There is also the conflict with Israel. In the event of diplomatic deadlock, Assad might be forced to clamp down on an experiment with greater economic and political liberalism, to revert to the previous, more centralised style of Ba'ath rule which might in the alienate Saudi Arabia, an important aid donor. This need for success at Geneva looms large, but not as crucial as for President Sadat in Egypt. In the short term, Assad faced with two targets, the first is the presidential election next March for a second year term. He would, undoubtedly like this to be a spontaneous acknowledgement of his real achievements of his first term and not just a formal, gone conclusion. Secondly, would like this re-election to mandate for the re-statement of the Ba'ath Party which, as a political life which has wiped away the present signs of disinterest and apathy.

A.Mel

Development priorities well documented

SYRIA IS currently almost two years into its fourth five-year development plan without it having started officially. This need not be a disadvantage, for the detailed work which has clearly been put into the published version indicates that there has been considerable research into the country's economic priorities. Furthermore, the published plan, whatever its ultimate fate, does indicate the intended direction of the economy for the next few years. During the last years of the third plan (1971-75) there has been growing concern in the Syrian Government over the persistent shortfalls in plan implementation. As a result, officials have increasingly applied themselves to improvements in project preparation, and in annual planning and budgeting. This development occurred too late to save the third plan from being fully executed but it has been an important feature in the approach to its successor.

The delay in carrying out the fourth plan stems from a number of factors, not all of which were of Syria's making. First, during the drafting of the plan in 1975, it became evident that as much as 40 per cent. of the third plan would have to be carried over. Publication was therefore delayed beyond the beginning of 1976. Secondly, during 1976 Syria suffered from a setback of the inflow of funds. In the form of aid and grants from Arab oil states. The quantity of funds received and when their inflow was reduced is described in detail elsewhere in this survey. But it is sufficient to point out that Syria's planners may have been misled into thinking that the initial rate of Arab aid and investment after the 1973 Arab-Israeli war might be maintained.

Reassessed

In fact it failed off, with the result that targets and the pace at which they might be met had to be reassessed. One stumbling block was Syria's involvement in the Lebanese civil war. Saudi Arabia and Kuwait became increasingly critical of Syria's policies and displayed their discontent by withholding aid and forcing Syria to shoulder increasingly the burden of funding its military presence there. It is generally estimated to have been costing Syria \$2m. a day, from June 1976 when its troops were first sent in substantial quantities.

A further complication developed as a result of the highly sensitive issue of corruption. Some of the major aid donors were concerned that an inordinate quantity of money for contracts was finding its way into the pockets of middlemen rather than projects, and that several of the plan projects had been carelessly drawn up and therefore wasted investment. They became reluctant to provide funds. An additional blow was the decision in April 1976 by Iraq—as one part of its protracted ideological struggle with Syria—to suspend the pumping of oil through the Kirkuk-Baniyas-Tripoli pipeline. This deprived Syria of revenues which amounted to about \$500m. (\$127m.) in 1975. Thus at a time when Syria's

	Public	Private and	Total
	ESm.	Mixed Sector.	
Euphrates Dam Project	7,439	—	7,439
Irrigation*	1,095	2,500	5,499
Agriculture†	1,904	2,500	5,499
Industry‡	9,889	1,400	11,289
Energy and fuels	7,986	—	7,986
Transport and communication	5,136	500	5,636
Trade and commerce	941	200	1,141
Housing and public utilities	3,997	4,089	8,086
Services	5,194	700	5,894
Administration	1,034	—	1,034
Popular work	160	—	160
Total	44,777	9,389	54,166

* Includes land reclamation.
† Includes forestry and fisheries.
‡ Includes manufacturing, mining, electricity, water and gas.
Source: State Planning Commission.

economy was undergoing changes induced by the government's interest in encouraging foreign investment and the private sector, the means to draw up a comprehensive development plan embodying these principles were being cut back. A revised draft of the fourth plan was completed in June, 1976. It was further revised by the State Planning Commission and finally presented in February of this year to the People's Assembly. The cabinet examined this latest draft and is believed to have judged that some aspects—the GDP growth rate, the proposed annual increase in production in the Industry, Mining and Energy sector, the irrigation extension target, and some of the increased vegetable production plans were unrealistic.

Execution

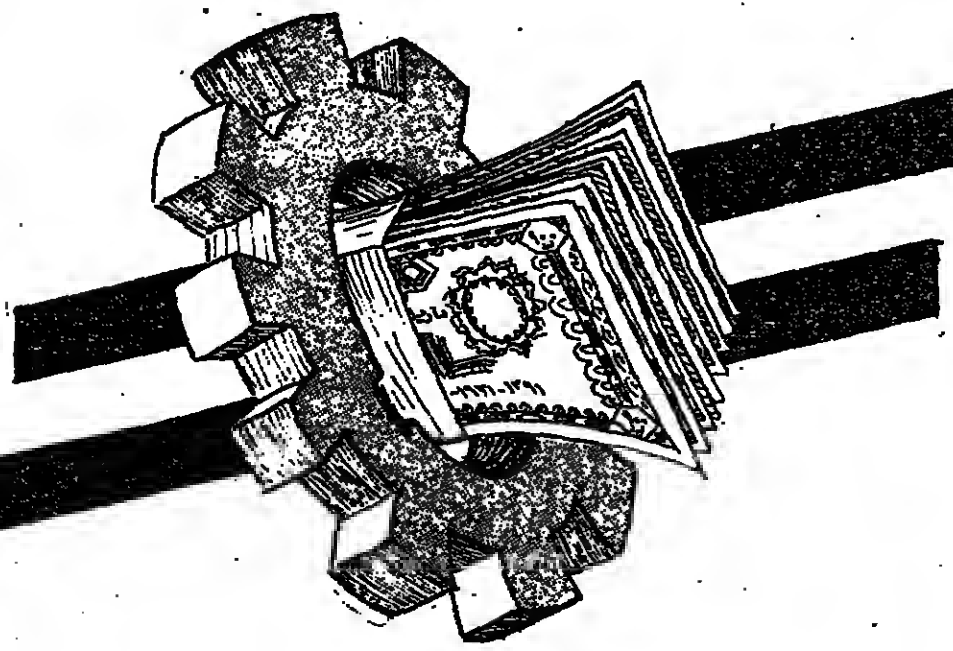
The cabinet is reported to have pointed out that Syria faced a shortage of labour in agriculture, and of technicians and experienced managers, and that these problems were being made worse by low salaries and emigration of workers. The outcome was that the plan was re-submitted to the People's Assembly and approved as a tentative plan, with the years 1976-77 considered mainly as a transitory period during which plans from the third plan would be completed and important new projects introduced. Diplomatic sources in Damascus estimate that a final revision of the plan will be undertaken in the beginning of next year. Officially, however, the plan in its published form was approved at the end of March and promulgated by President Assad on April 6. None of the preceding development plans were completely carried out. The first covering the years 1961-65, envisaged investment of \$27.7bn. (\$688m.) of which agriculture and irrigation took 40 per cent., communications 20 per cent., and industry, mining and petroleum 19 per cent. Its fulfilment was 53 per cent. In the second plan (1966-70), which was partially disrupted by the 1967 Arab-Israeli war, final investments totalled \$33.7bn. (\$842m.) and the general percentage of execution was 70 per cent. It was noticeable that agri-

from 60 per cent. in the first plan to 83 per cent. in fourth (with the private sector providing \$58.4bn.). The main general targets the plan are the attainment of an average real annual growth rate of the GDP of 12 per cent. (rising to constant 1975 prices from \$190bn. in 1975 to \$250bn. at the end of the period). The major areas of growth to be transport and communications (by 16.4 per cent.), construction (by 16 per cent.), industry (by 15.4 per cent.), agriculture, notably, is to be only 8 per cent. This comparative reduction in contribution to Syria's GDP the agricultural sector over years is to continue. An aim is to curb inflation over plan period to 30 per cent. Additionally, the plan has as targets self-sufficiency in energy and agricultural commodities and the improvement of transport and communications within the country and Syria's neighbours in particular Jordan. It plans also to cease internal public revenue notably by improving the system and to develop from these sources. Although much emphasis laid on such industrial projects as the Banias refinery, a refining plants, cement factories (with investments of \$3.5bn. and the expansion of phosphate production, the largest enterprise continues to be Euphrates Dam and other projects, with investments of \$14.2bn. (which are described elsewhere in this survey). An assessment of the chances of fulfilling this plan is difficult because of the extreme fluctuations of the economic situation. It is in turn subject to such political developments as convening of a Middle East peace conference in Geneva. The cabinet, as reported, has expressed some policy reservations about the targets and about the object of some of the particular investments. There remains, too, the question of finance. At present for the \$54.8bn. for carry over and new projects, according to the plan resources available amount to \$24.2bn. in Syria and \$12.6bn. in abroad. This leaves an apparent deficit of \$18bn. still to be found. However, Syrian officials predictably epitomise when asked about the late stage to the plan, and the possible shortfall in finance, they point to the budgets of 1976 and 1977. Investment expenditure in 1976 amounted to \$25.2bn. out of a total expenditure of \$16.6bn. This year's budget was \$24.4bn. up \$1.7bn. — a therefore in real terms a deficit, but with development expenditure of \$31.0bn. If rate, it is argued, would be projected over five years, be slightly less than the projected for the overall plan. Nevertheless, and for all the more serious economic planning which obviously goes into the preparation of this plan, the fluctuations and interplay of politics and economics make the programme sound in theoretical outlines and generally in direction of policy, but it probably only a general guideline in practice.

A.Mel

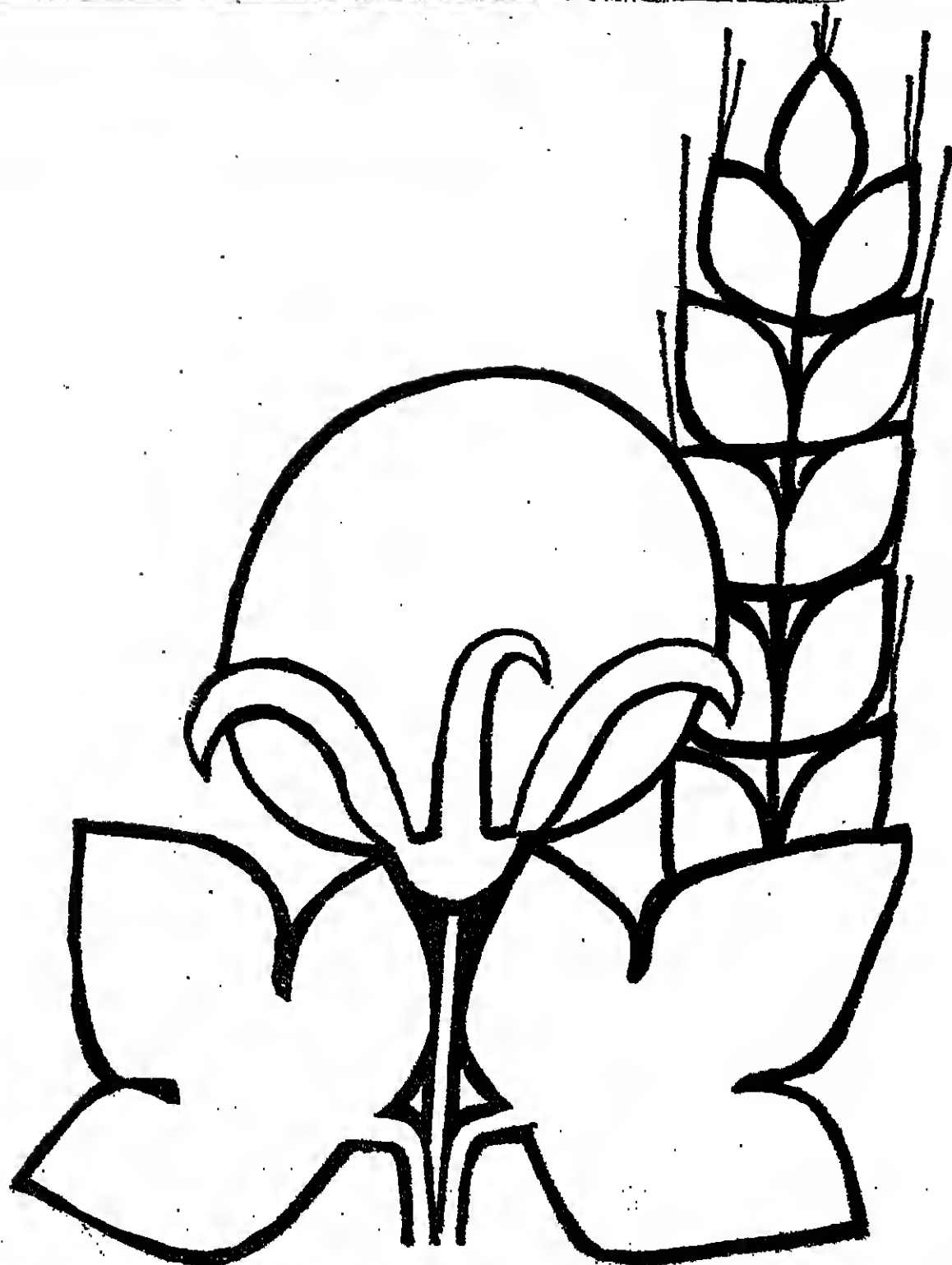
THE INDUSTRIAL BANK

A Syrian Bank specialized in financing schemes and industrial enterprises



Damascus, Sharia 29, Ayar
P.O. Box 359
Cable: Sinasory
Tel: 552500 - 552501

EUPHRATES DAM



Since the dawn of independence and after the evacuation of the French colonist, Syria wanted to exploit its share of the Euphrates Water for irrigation of the fertile-thirsty land on both banks of the river, for generation of electric energy and for control of floods.

In 1947 Syria entrusted to a consultant engineering firm, the study of a dam in the Euphrates River at Youssef Pasha. However, it subsequently turned out that the site of Tabqa is more suitable for the erection of a dam, technically and economically.

The project remained a long time in limbo without any step forward until the revolution of 8th March, under the leadership of the Arab Socialist Baath Party which moved this important project ahead from one of words to one of action and signed, on 22nd April, 1966, an agreement with the Soviet Union for construction of the huge dam on the Euphrates River.

Thereafter the Revolutionary Government in Syria undertook responsibility to implement this great work and gave it all its care and support in order to make it a starting and turning point in the life of the Syrian Arab Republic. This was a revolution against underdevelopment and a stalwart support to economic and social development in the phase of socialist transformation in the Arab Homeland.

The economy of Syria relies first and foremost on agriculture and irrigation. It has so far utilised the greatest part of its scarce water resources and required the urgent extension of irrigated areas in order to face a steady increase in population.

It has become imperative, therefore, to erect a dam at al Thawia—to lay down the irrigation and drainage canals, to build the pumping stations and model villages in the Euphrates basin, to construct in these villages the schools, medical centres, to supply such villages with electricity and drinking water, and to prepare the required facilities such as fertilisers, seeds and agricultural machinery for co-operative societies in the area—in other words, to induce new life in a region lacking almost all aspects of life.

The electric power to be generated by the River Euphrates in Syria will reach about 2.5 billion kW/hour per year, corresponding to almost 0.75 billion kW/hour for the present total production of electric energy in Syria. Land irrigated by the River Euphrates will reach an area of approximately 640,000 hectares, i.e., more than the existing irrigated area in all parts of Syria which is estimated at only 550,000 hectares.

The Arab labourers in collaboration with the Soviet experts erected three generating units according to the irrigation programmes and producing the electric energy started in early May, 1974. The exploitation of the pilot project in the Euphrates Basin has also been started. Thus the great Euphrates project commenced giving its fruits and the leadership of the Arab Socialist Baath Party and revolution is still seriously continuing the execution and achievement of the Euphrates project to create a newly developed society built on socialist basis.

SYRIA VI

Modest oil producer

SYRIA IS, and is likely to continue to be, only a modest oil producer by Middle Eastern and world standards. Its output slightly exceeds that of the OPEC table, and of Bahrain in a similar position. Nevertheless, Syria's oil makes an important contribution to the economy through foreign currency earnings, as a strategic safeguard lessening dependence on others, and as fuel for industry, transport and agriculture.

Syrian oil statistics tend to be inconsistent. On the one hand OAPEC estimated that annual production, 184,000 b/d in 1976, had risen to 200,000 b/d in January and February this year, a level which Mr. Isa Darwish, the Oil Minister, maintained in the Financial Times had been since sustained. This rise of 8.7 per cent. is in contrast with an earlier statement made in August to the Beirut weekly 'Alam al-Naft' (The World of Oil) that oil output was expected to fall from 10.1m. tonnes (over 300,000 b/d) in 1976 to 8.9m. tonnes.

Mr. Darwish gives two main reasons for not wanting to expand Syrian production levels—the maximum current capacity is 250,000 b/d—until new reserves had been discovered capable of sustaining a higher level of output.

The first is the need to conserve existing fields to keep overall proven reserves, estimated in 1976 by OAPEC at 12bn. barrels, at as constant a level as possible, with the help of new discoveries. Secondly, it is Syria's intention to stretch existing reserves for as long as possible to serve economic development. However, an additional reason for only a gentle increase in production over the last few years has been the notably slow response by foreign companies to take up concessions offered under a change of Government policy. The conclusion is a number of "production contracts" with oil exports went to Western Europe (including France, Italy, Belgium, Spain, Holland and Greece), 7.3 per cent. to Eastern Europe (including Yugoslavia,

Hungary, Poland and the Soviet Union), and of the rest, 2.7 per cent. went to the Middle East.

In addition, for the purposes of local consumption, it is also necessary to mix Syrian crude with lighter crudes. In the past the bulk of this used to come from Iraq, and also Libya and Algeria. So far, Saudi Arabia has been the main source of the 1.5m.-2m. tonnes to be imported this year. According to Government statistics, in 1976, exports of oil, oil products and gas amounted to \$23.68bn., against imports of \$5750m., giving a oil trade surplus of \$18.93bn. (This is to be compared with a deficit in 1968 of \$102m.)

These earnings have to be set, too, against estimates for expenditure in the general consolidated budget. For the Ministry of Petroleum and Mineral Resources—and the former sector takes by far the greater proportion—expenditure, which was \$1bn. in 1976, will rise slightly to \$1.1bn. this year, further reducing the overall direct gains to the Syrian economy. Within the budget, the expenditure of the State concern, the Syrian Petroleum Company (SPC), fell from \$407m. in 1976 to \$299m., while those for the Banias Refinery company (BRC) rose from \$300m. to \$357m.

In terms of planning, Syria's oil production has slipped behind schedule. Under the terms of the 1971-75 plan, production was due to reach 15m. tonnes at the end of the period, but SPC, due to an over-estimate of reserves recoverable through natural pressure and delay in exploiting the new Jubassa, Alayan and Hamza fields, only extracted 8.9m. tonnes. As a result after considerably obliged to increase considerably investments for drilling development wells and secondary recovery programmes. Investments averaged \$200m. during the plan period and then rose to \$240m. in 1976. Under the current 1976-80 plan \$58bn. (\$2bn. (14.7 per cent. of total investments) are to be allocated to the Energy and Fuels sector. Of these \$54.3bn. have been carried

History

The history of oil exploration in Syria has taken many twists. The first oil concession was awarded as far back as 1908 but it was not until 1958 that American entrepreneur, Mr. Minhall, in association with Atlantic Refining and Atlantic Steel Corporation, covered oil in Karachuk, north-east of Syria, with a initial flow of 1,000 b/d. It was the West Gas company, Deutsche Erdgas, was granted an exploration licence, and in August 1959 it covered oil in the same area. The industry's subsequent wave of nationalisations, concessions were withdrawn and for more than a decade petroleum sector was under the control of the General Petroleum Company (GPC) and operations carried out with the aid of the Soviet Union.

The industry's shape altered at the end of 1973, by a cabinet decision dividing the GPC into a number of companies, under the direction of the Ministry of Petroleum and Mineral Resources. These are: the State charge of the exploration well as sale of crude oil; gas; the Syrian Crude Oil Transport Company, handling transport of Syrian crude; the oil fields to the East; Banias export terminals; the Homs refinery; the Distribution of Petroleum products in charge of the

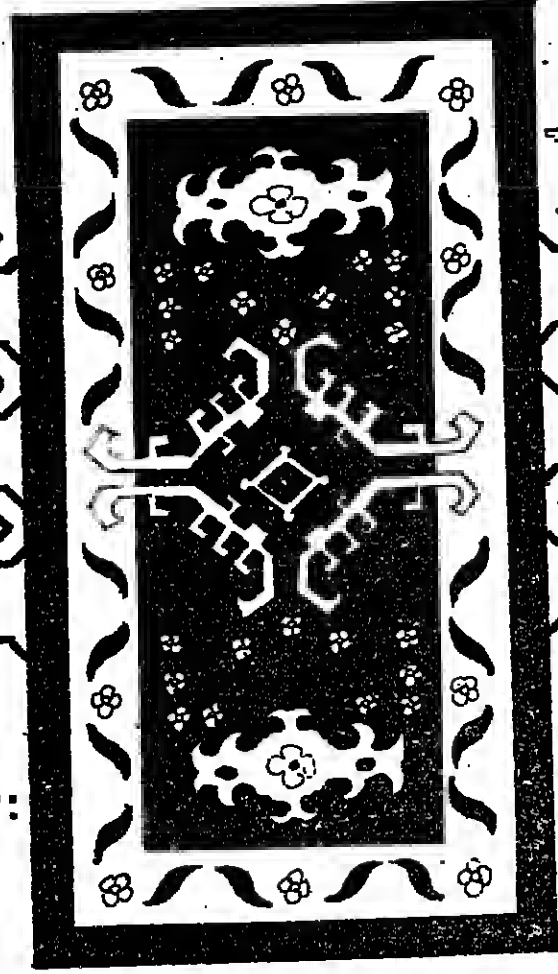
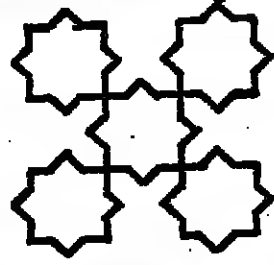
Suitable

According to the authoritative Middle East Economic Survey, Syria's heavy 25° API with its high 3.6 per cent sulphur percentage was actually being quoted in late September at \$11.63 per barrel, 10 cents above its contract price.

These prices reflect the fact that although Suwaiyiah crude is suitable for blending with lighter crudes to produce fuel oils, and that crude from the Karachuk field (22° API and with a higher sulphur content of 4.5 per cent.) produces a quality asphalt, there have been marketing difficulties (initially compounded by hostility on the part of oil companies to Syria's nationalisation programme). However, Syria's markets have now built up, consisting of contracts, mainly of small quantities. In 1976, 87.9 per cent. of oil exports went to Western Europe (including France, Italy, Belgium, Spain, Holland and Greece), 7.3 per cent. to Eastern Europe (including Yugoslavia,

CONTINUED ON NEXT PAGE

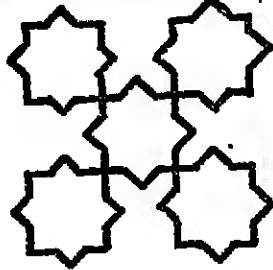
SYRIAN WOOL CARPETS



Contact the exporter and the manufacturer:

General Organisation for Textile Industry

P.O. Box 620
Damascus, S.A.R.
Cable: UNITEK



COMMERCIAL BANK OF SYRIA S. A

Head Office: P.O. Box 933 - Damascus. Telephone: 118890-118891
116975-222481-228524. TELEX: DAMASCUS, Head Office DIRCOM
11002 SY. CABLE ADDRESS: Head Office: DIRCOMERSYR
Exchange: DIREX 11205 SY. 31 Branches across the country. 30 Foreign Exchange Agencies covering tourist inlets.



Representation abroad: SYRO-LEBANESE COMMERCIAL BANK, BEIRUT
UNION DE BANQUES ARABES ET FRANÇAISES, PARIS
UBAF ARAB AMERICAN BANK, NEW YORK
Correspondents throughout the world, among which:
LONDON Correspondents
LLOYD'S BANK INTERNATIONAL NATIONAL WESTMINSTER BANK
NEW YORK Correspondents
CHASE MANHATTAN BANK
FIRST NATIONAL CITY BANK
Chairman and General Manager: DR. DIB



ABOU ASSALI Member of the Board of Directors of SYRO-LEBANESE COMMERCIAL BANK, BEIRUT
Statistics: 30/6/76 in thousands Syrian Pounds
Capital and Reserves: 181,896. Assets: 6,833,486
Regular Accounts: 11,319,944. Balance sheet total: 18,163,430. Turnover and profits development: 52%

Exploiting the Euphrates

WHEN DR. MOHAMMED IMADI, the Syrian Minister, makes his visit to Britain scheduled for early December, one of his major aims will be to interest British companies in developing Euphrates irrigation projects on a service contract basis. His President, Hafez Assad, has said on several occasions recently that foreign companies are welcome to become involved in the Euphrates projects, and offers have already been made to the French and Americans. Although representatives of a consortium of British companies were scheduled to be in Syria during the first half of this month, it seems that when Dr. Imadi comes to London he will be seeking suggestions from the Department of Trade as to which companies might be interested in participating. The field will be very much open for individual companies to put themselves forward.

It is known that the areas "on offer" are likely to be in the Bahah basin and the lower Euphrates valley, but otherwise the Syrians have not defined exactly what sort of deals they have in mind for the simple reason that they do not yet know. Broadly speaking the idea is that the foreign companies will be allocated a piece of land, will reclaim it and build the infrastructure at their own expense, and will then share the output with the state, in accordance with normal Syrian practice, a piece of legislation will be drafted to incorporate the terms of each individual contract, and will then be passed by the national assembly, thus giving all contracts the force of law.

As far as details are concerned, Imadi said in an interview recently that while in London he hopes to discover from interested companies what sort of conditions and guarantees they will want.

The Euphrates project that the foreign companies are being invited to participate in has been Syria's big economic dream ever since the country became independent and is the largest project in the current

development plan. It is focussed on the massive Russian-built dam at Tabqa, which was closed in 1973 and is now more or less complete. Its basic purpose is to bring about a large increase in agricultural production, which will raise living standards and dramatically improve Syria's trading position.

At present the dam is also producing much of Syria's electricity, allowing the established thermal power stations to operate mainly at times of peak demand. But as the irrigation projects are completed more and more of the dam's output will be used to pump water into the main canals. Although eventually Tabqa will have a capacity of 800 MW, compared with a current installed capacity of 600 MW (about a third of which is being used at present), only some 10 per cent. of the dam's power will be fed into the grid to meet peak load, once the irrigation development is finished.

The development of irrigation works has now been under way for six years and is divided between seven separate areas (leaving aside the Khahur valley). In total these areas have in mind for the simple roads, villages and the canals practice as the projects are developed they will be expanded or contracted according to the fertility of the soils they are found to contain, plus any engineering factors. Already there have been some quite big changes in the projected utilization of the different areas.

What follows is a status report on the stage of development reached in each of the project areas:

1. Bahikha basin: The Bahikha area totals 185,000 ha gross, all of which has been the subject of a general study and design produced by Sir Alexander Gibb and Partners. The area is subdivided into a pilot project and seven separate blocks. The pilot project (25,000 ha gross and 20,000 ha net) is now almost complete, having been built by Bonifica of Italy, the Syrian state irrigation contractors, became independent and is the largest project in the current

growing poplar trees and sugar beet, both of which have done very well, and cotton. Last year rice was tried, but it was discovered that the soil was suitable—and that the crop needed too much water.

2. Meskene basin: The Meskene area totals some 130,000 ha gross, the original 160,000 having been trimmed because of salinity problems and the discovery of large amounts of gypsum under the top soil, which together would have made parts of the project unrealistically expensive. The area is divided into two parts, of which the eastern zone totalling 23,000 ha was being under study by the Japanese company Nippon Koei. The Japanese consultants are now preparing tender documents, and it is hoped that contracts will soon be awarded for the development of an initial 33,000 ha.

The other, Western, division of the Meskene basin, is entirely in Soviet hands, 87,000 ha being under study, and 21,000 ha being under construction.

3. Bahah basin: So far this area has been subject to only a preliminary study carried out by a Bulgarian state firm.

4. Middle Euphrates valley: The Romanian company, Romagrimex, is now developing this area, totalling 17,000 ha gross, in conjunction with its development of division seven of Bahikha.

5. Lower Euphrates valley: The 200,000 ha of this area are regarded as being the most fertile and most important in the entire Euphrates development. Studies on 120,000 ha have been carried out by the French, who are now preparing tender documents, and it is hoped that the area will be under construction some time next year. Quite a lot of the land is already irrigated by traditional methods, but because of inadequate drainage some 4,000 ha per year is being "lost" through salinity. This means that development will have to include a major leaching operation.

6. Lower Khahur and Mardih: Only the most rudimentary studies have been carried out in these areas at present no further studies or development work. When work eventually begins it is expected that the contractors will face the problems of a sub-soil, which may cost present 70,000 ha envisaged development to be scaled considerably.

7. Khahur valley: 140,000 ha of this area is regarded as being separate from the Euphrates development, has been given for study by the Bulgarian firm by the Projects Administration.

By 1980, which nominally marks the end of the Fourth Plan, it is hoped the different contractors will have completed the project, the 21,000 ha Meskene being developed by Russians, division 7 of the middle Euphrates valley, and the Euphrates valley. The area is anticipated to produce some 25/30,000 kg per ha, being developed, taking the 21st century.

But in practice it is expected to be difficult to project this advance. This is not because of question marks over the availability of funds or quality of soils, but because of extensive mechanization (which will itself be a considerable training item) the population of eastern regions will be expected to cultivate the land schemes envisaged, which is a large-scale return of emigrants from the town western Syria. The Government hopes to make life on the projects attractive enough to bring about this return of people through pleasant new villages, proving that farmers in the Euphrates region are the most progressive in the country. Not only are the project farms considered to be a success, but it is also a success wherever farmers have left the area, in the world's seldom return.

مركز من الأصيل

SYRIA VII

A dilemma for the banks

THE past few months... The Commercial Bank for non-commercial transactions such as tourism and medical trips abroad.

the Commercial Bank for non-commercial transactions such as tourism and medical trips abroad. For a tourist the maximum is about \$350 per trip.

Controls

The one area where there has recently been a move in Syria towards Western banking practices (leaving aside the proposals for the establishment of offshore banks) has been in exchange controls.

OIL

CONTINUED FROM PREVIOUS PAGE

OIL PRODUCTION AND EARNINGS

Table with 5 columns: Year, Production ('000 barrels/day), Exports ('000 barrels/day), Value of Exports (\$'000), Percentage of Exports. Data for years 1968-1976.

this rose from 17,484 b/d to 21,356 b/d. The intention is to make Syria a net exporter.

Reserves

Syria's gas reserves are underexploited. Proven reserves of natural and associated gas were estimated at 700bn. cu. ft. in 1975.

هكذا من الدار



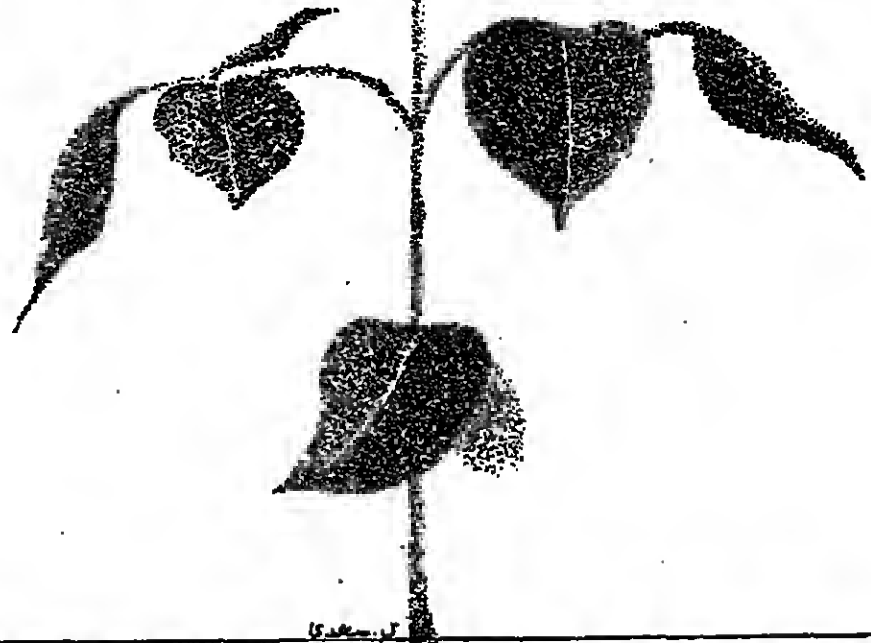
THE ROSE WHICH EMIGRATED FROM DAMASCUS AND RETURNED THERE

On August 6, 1968 the city of Damascus received, as a gift, from the French town of Provins, a cutting from the rose, ROSA DAMASCANA.

This variety of rose had been imported to France, from Damascus, during the Sixth Crusade in 1238.

Retracing the route which the rose would have taken on its journey to France, two young French people brought it back to Damascus.

Today, this rose adorns the gardens of the Damascus National Museum.



M.F.

POPULAR CREDIT BANK

Head Office Saad Zaghloul Avenue—Darweishieh DAMASCUS P.O. Box 2841—Cables: AMCHABI—Damascus

CAPITAL: S.£3,000,000

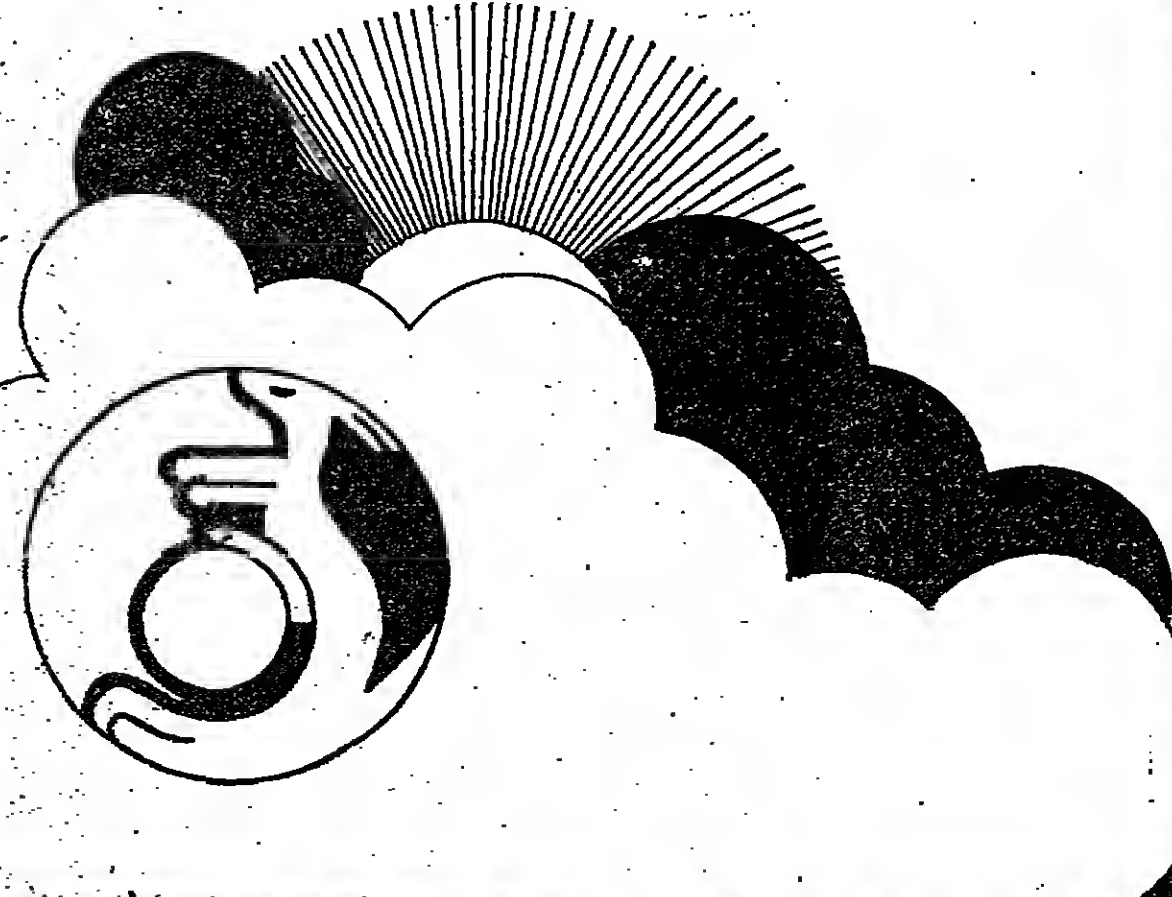
All kinds of internal Banking Transactions

The only Bank in the Syrian Arab Republic authorized to issue "Saving Certificates" to both locals and foreigners at a rate of 8% annually.

Branches covering all the districts of the country.

Re-Investment of Capital (with Interest) in Foreign Currency.

The Bank intends to establish, during the forthcoming Five-Year-Plan, 30 more Branches in the S.A.R.



A.McD.

The tourist potential Cotton under pressure

ANYONE WHO has visited Syria—on business trips, or for shopping expeditions or quiet week-ends away from Beirut—will agree that the country has basic tourist potential. For Arah visitors, who numbered just over 1m. last year, Syria has the attractions of a relatively cool climate, a familiar language and a liberal socialist regime. Although social life in Damascus lacks the glamour of Beirut, and the city contains a few gaudy restaurants and hotels, the Syrian ruling classes are still conspicuously affluent.

In the last two years the country has clearly benefited from the demise of Beirut, and the mountain resorts of Zebadani and Bloudan north of Damascus are developing as replacements for the shattered towns of Bhandoun, Aley and Broumana. Even the most casual visitor will notice how the Syrian mineral water business, stimulated by delays in the supply of the Lebanese waters traditionally favoured by the Arabian Arah, has blossomed during the last few years.

For non-Arah visitors (including businessmen and Turkish Hajjis) who numbered 300,000 in 1976, with the French and Germans predictably in the lead among the Westerners, the attractions of Syria are more varied. The country has good food and pleasant wine. It has a reasonably attractive coastline, unspiculated except in the extreme north next to the Turkish border, where the pine-covered mountains come tumbling down into the sea. The beaches, unfortunately, are disappointing—in only one or two places are there long stretches of good sand—and there is only one island along the coast. This is the tiny islet of Arwad off Tartous, which has a pretty fishing harbour and boat building yard in the classic east Mediterranean style, but is too small to visit for more than a morning's outing.

Toland the country offers an impressive array of ancient and

Rambling

In the centre of the country Hama has a more or less intact old quarter and a number of extraordinary water wheels, huge structures, known as norias, which produce a perpetual noise which has echoed through the old part of the city for two or three hundred years.

To the north Aleppo has some fine streets of buildings in Ottoman and French styles (not so unlike parts of Cairo), a beautiful Grand Mosque and a dark and rambling souq. Damascus likewise has the finest mosques in the Islamic world and an enormous souq area radiating out from the main arcade of the Souq al-Hamidiyah (so called because it was the Sultan Abdel-Hamid

who ordered it to be covered over in the late 19th century). There are also some fine old palaces and crumbling gates and remains of city wall, which being mixed in with the souq area give the whole quarter a highly attractive, old-fashioned atmosphere, reminiscent of sepia-toned photographs. Nearby is the terminus of the Hijaz railway, a station built like a palace in the best Victorian/Edwardian tradition.

For any visitors it is probably the souqs, in both Aleppo and Damascus, that are the most time-consuming, engrossing and magical places in Syria. It is not too hackneyed to say that to enter them is to "enter a different world." Aleppo is the older and more "medieval" of the two—dark, with narrow lanes, stone arched roofs, strange smells of old-fashioned substances (such as bees wax and tallow) ancient faces out of Renaissance paintings, and alleyways devoted to one particular product—ropes, or spices, or seeds and soap, or shoes, or gold or brass.

It is the Damascus souq, on the other hand, that has more for the visitor to buy: glass paintings, normally depicting scenes from the immortal love story of Antar and Abia; glasses, hand blown from melted green, brown and blue glass scrap; brass wares; silk brocades; and furniture, boxes and backgammon boards made of wood mosaic. (The mosaics are made out by manipulating little chips of wood, but by gluing carefully shaped sticks of wood together in bunches and then cutting off slices like salami.)

The Syrian Government is anxious to exploit all of these assets, and it has decided that before it can start selling the country's attractions abroad it must first build a tourist infrastructure, which basically involves building hotels. A Meridien Hotel has already been opened in Damascus, though because the contractor's work

was substandard in many respects, and because it is still new and has been established in a centre which has had no top class hotels for years (and therefore lacks trained staff), the management company does not feel that it has yet attained the standard it expects of its hotels. Further Meridien are planned for Palmyra, Aleppo and Latakia. A Sheraton is due to open in Damascus in March 1978 and construction is due to start on a Damascus Holiday Inn next January.

Village

Elsewhere the Government has asked for offers for the construction of a tourist village on the coast, and Syrian co-operatives have already built some 10,000 "villas" and "chalets" on the coast for Syrian holiday makers. The private sector is being encouraged to build hotels and restaurants by Government loans and the promise of exemption from import duties on necessary imports—though the definitions of the government and the hotels management as to what is and what is not "necessary" may often vary. The Ministry of Tourism also offers technical support in the form of feasibility studies, but in practice, give the government's uneven record in the planning and executing of development projects, the private sector is more likely to rely on its own acute commercial instincts.

Whoever takes the major role in developing the basic "infrastructure," it is going to take much more than a few new hotels potential—and what is lacking at present will take a very long time to develop. Outside Damascus there are, for instance, virtually no restaurants with the attractive settings and furnishings of the Greek tavernas or Turkish lokantas. Most restaurants are either desperately stark or in bad

Meanwhile the beaches are covered in litter, sometimes on

large enough scale to give the impression that someone has used them as a dumping ground. Interestingly, few Syrians seem to mind or even notice this, which only goes to show how much life styles will have to evolve before Syria starts to provide the type of environment which European and American tourists find really attractive.

Above all there is what might be called the barrier of attitudes in the way of the development of the tourist business. Any visitor to the Arab world gradually has his energy sapped by the tendency of officials, hotel staff and the clerks in airline booking offices to create obstacles rather than to solve problems. He will also be struck by the general surlyness of taxi drivers, who, when accepting a fare of double the level they would charge a local, contrive to give the impression that they have resigned themselves to being cheated and are glad to have you out of their cab. And most irritating of all will be the tourist's gradual realisation that even more than in other parts of the world he is victim of a double price system applying not only to taxis but to everything else he is likely to want to buy.

Consequently, despite the country's great and undeniable attractions, Syria is not going to develop as any sort of a centre for Western tourists in the foreseeable future. In many ways it seems to be unaware of the nature of its country's shortcomings, and talking to officials one gets the impression that the country's targets as regards potential visitors have not been very carefully worked out. Yet, whether by coincidence or not, the Government-inspired developments under way seem to be aimed at the type of potential visitor who will be most sheltered from the less attractive aspects of travel in Syria—in other words the closely supervised party of, for instance, ladies from the U.S. Bible belt.

These tourists can be accommodated in the Meridien and other hotels by their guides through the problems of life which confront the individual traveller. They will not mind (and may even appreciate) some of the hotel-restaurant combinations which the Government is making in areas such as Tartous, this factoring their appeal to the individual visitor in the Romantic tradition.

COITON. AS all the world now knows, is a successful fibre. Denim and corduroy ensure its current popularity, and Western society's increasing preference for natural rather than the artificial fibres seems likely to sustain demand for the fibreable future. World production of cotton rose from about 10m tonnes in the early 1960s to over 14m in 1974/75. That it has since fluctuated quite widely reflects the farmer's ability to react quickly in response to economic pressures that brought large sections of the man-made fibre manufacturing industry to their knees.

Countries like Syria can justifiably lay claim to a significant share in the responsibility for cotton's progress. Cotton is known to have been grown in the Levant throughout recorded history. But it is only since the 1950s that its production has assumed paramount importance. The period of greatest progress in Syria followed closely upon the establishment in Aleppo of the Cotton Bureau. Beginning with standard varieties grown in the U.S., this body developed the excellent "Aleppo" seed strains which were to prove ideal for local climatic conditions and highly resistant to wilt disease, which had earlier been the scourge of imported varieties.

It is among the greatest ironies of the Arab-Israeli conflict that the two countries, Egypt and Syria, who have borne the brunt of the military burden among the less successful in their search for oil, each has therefore been heavily dependent upon agriculture for its economic wellbeing, and the limitation of finite irrigable land resources with which to feed an increasing population.

Among the international cotton trading fraternity the nationalised marketing authority is not always held in the very highest esteem. All too often it proves too weak to withstand domestic political pressures and too inflexible to react sensitively to changing world markets. Neither of these shortcomings has been apparent in Egypt and Syria. Each country has been faced with the especially difficult problem of using a proportion of her precious crop for trade with the Eastern bloc, while retaining sufficient for export to the West in return for such convertible foreign exchange as was essential to the country's wellbeing. If Egypt has sometimes appeared to play this delicate game with more finesse than

COTTON PRODUCTION (Metric Tons)	
1965/66	180,239
1966/67	141,496
1967/68	126,513
1968/69	153,631
1969/70	149,451
1970/71	148,768
1971/72	167,452
1972/73	163,063
1973/74	155,514
1974/75	144,816
1975/76	160,000
1976/77	155,000
1977/78	(estimate) 148,000

Marketing Organisation (CMA) came into being in 1965, and than 57 ginning factories already concentrated in Aleppo were in operation. Only about 25 per cent of the crop was ginned. To-day it is 99 per cent of the crop ginned. The CMA has complete control of the ginning movement, classing (quality) and signing of every stage ensures the integrity of the fibre in "lot" of cotton, and has Syria an enviable international reputation for quality reliability. Her ginning industry undoubtedly compares some of the largest and efficient units found anywhere in the world.

In recent seasons, as the 1976 reveal, the expansion acreage under cotton has held in check by pressure available land resources. Like Egypt, Syria has been obliged since the 1950s to import foodstuffs to care for the relative increase of growing more and more food, or vice versa, bulk of the country's output from irrigated land on the banks of the Euphrates and the Taurus. The cotton is extensively grown in irrigated or "dry" but the area sown is decreasing rapidly, and being frequently less than 50 per cent of the total.

The huge Euphrates scheme, at Taha, is now due to contribute to the ginning facilities. How development of the canal systems is a lengthy costly process. For the moment, there is therefore no prospect of any further sharp rise in output. Indeed, Syria's tentative indication to the national Cotton Advisory Committee is that she will grow 157,000 tons of cotton in 1978/79.

In textiles, however, the story is very different. Syria's cotton-based industry in 1976-77, but is installing new spinning and ginning machinery, very partly with British assistance. Consumption may rise in 1978, but the current season's output is 100,000 in 1977. Syria has been virtually sufficient in cotton textile some years, and the direct which her export ambition is becoming increasingly obvious.

John G. Editor, Cotton

Marketing Organisation (CMA) came into being in 1965, and than 57 ginning factories already concentrated in Aleppo were in operation. Only about 25 per cent of the crop was ginned. To-day it is 99 per cent of the crop ginned. The CMA has complete control of the ginning movement, classing (quality) and signing of every stage ensures the integrity of the fibre in "lot" of cotton, and has Syria an enviable international reputation for quality reliability. Her ginning industry undoubtedly compares some of the largest and efficient units found anywhere in the world.

In recent seasons, as the 1976 reveal, the expansion acreage under cotton has held in check by pressure available land resources. Like Egypt, Syria has been obliged since the 1950s to import foodstuffs to care for the relative increase of growing more and more food, or vice versa, bulk of the country's output from irrigated land on the banks of the Euphrates and the Taurus. The cotton is extensively grown in irrigated or "dry" but the area sown is decreasing rapidly, and being frequently less than 50 per cent of the total.

The huge Euphrates scheme, at Taha, is now due to contribute to the ginning facilities. How development of the canal systems is a lengthy costly process. For the moment, there is therefore no prospect of any further sharp rise in output. Indeed, Syria's tentative indication to the national Cotton Advisory Committee is that she will grow 157,000 tons of cotton in 1978/79.

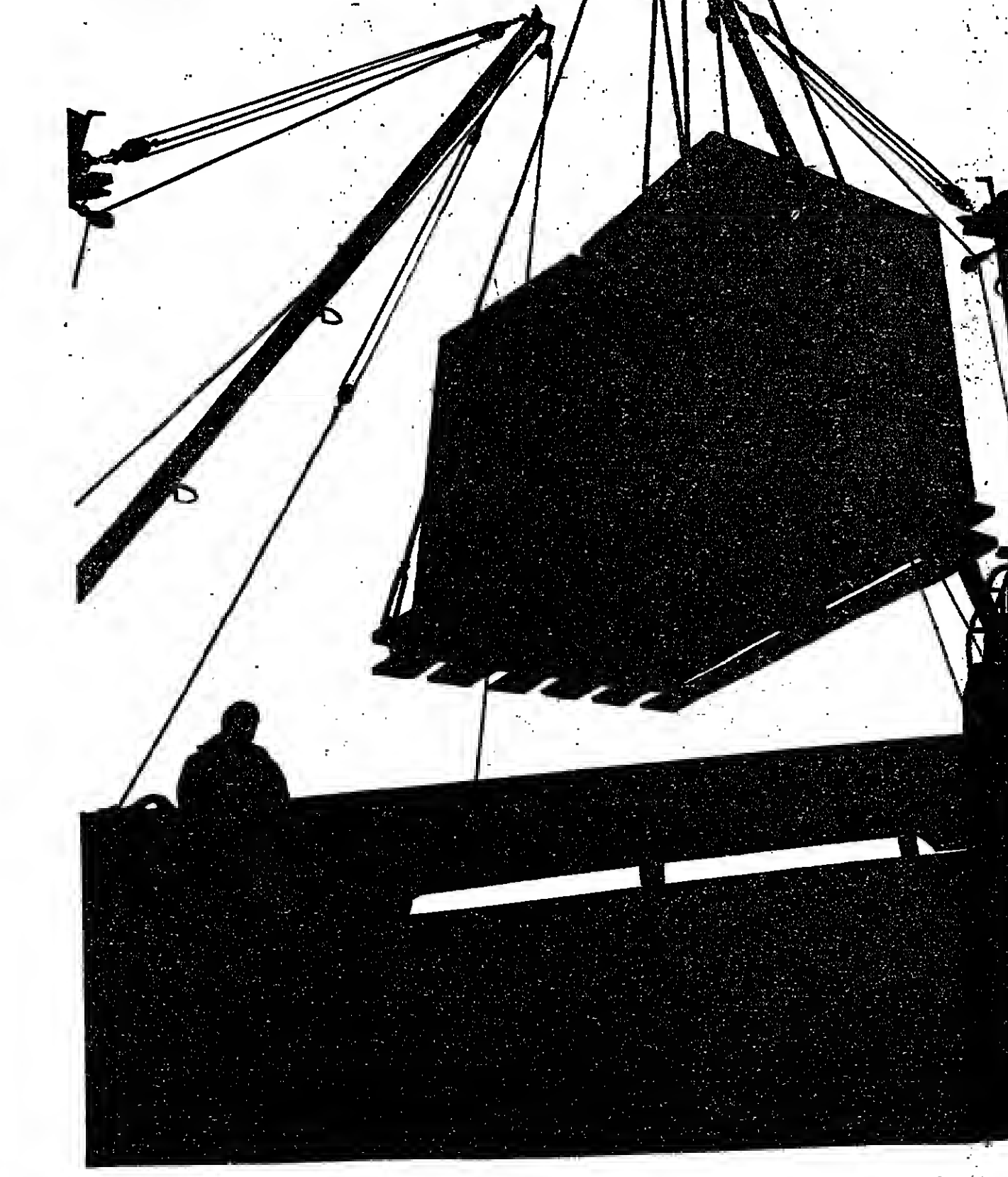
In textiles, however, the story is very different. Syria's cotton-based industry in 1976-77, but is installing new spinning and ginning machinery, very partly with British assistance. Consumption may rise in 1978, but the current season's output is 100,000 in 1977. Syria has been virtually sufficient in cotton textile some years, and the direct which her export ambition is becoming increasingly obvious.

John G. Editor, Cotton

FREE ZONES IN THE SYRIAN ARAB REPUBLIC

There are five Free zones in the Syrian Arab Republic, set up in Damascus, Aleppo, Damascus International Airport, Latakia Harbour and Tripoli. These zones contain general warehouses, wharfs and areas to receive and store goods of all sorts. There are sections ready to be rented for long periods, and are prepared for setting up factories and special commercial warehouses by investors. Encouraging facilities & privileges are granted to investors, who are welcomed whether from National Arabic or foreign sources.

For further information, please contact the following address: The Public Authority for Free Zones, The Syrian Arab Republic, P.O. Box 2799, Damascus. Cable: Ozofransh



Agricultural targets

OUTSIDE SPRING and the only 4 per cent of the cultivated land is taken up by state projects (outside the new Euphrates region), and there are no collective farms or peasant farming corporations, has been totally devoid of. The remaining 96 per cent of the land is divided between individual farmers, most of whom all have received their land since the agrarian reform, and co-operatives, which the Government is now trying to encourage.

It is also significant that the only major instance where the Government has become directly involved in agricultural development—namely with the Euphrates scheme—is not making the mistake (made on occasions by other governments) of assuming that all it has to do is build the new infrastructure and that the farmers will then make use of the facilities to dramatically increase their productivity. The Government may be being optimistic in its assessment of how quickly it can develop the Euphrates projects and of its ability to fill the projects with farmers, but it has realised that it will have to provide an immense amount of backing for the farmers who are to work the projects.

The main thrust of government agricultural policy seems to involve casting itself in the role of advisor and stimulator of change. For example, to stimulate livestock production it has established state cattle breeding stations and artificial insemination facilities, and other developing countries—thus providing the farmer governments in their approach with easier access to inputs, to the agricultural sector. It is backed up with professional not, for instance, trying to drag the farmers into change. Its unsuccessful attempts to get farmers to co-operate in crop ment to help sheep and cattle production, which entitled far-rearing nomads by establishing wells and fodder storage facilities, have now been abandoned. Nor is the state taking over large tracts of land as they liked, and is the agricultural sector needs to supply the factories to run itself, turning the farmers into labourers—in fact, if Agriculture is trying to encourage a voluntary switch to and, much more important,

the state will pay and temporarily providing free seed. All this is not to say that government agricultural policy has been totally devoid of mistakes in recent years. On the one hand, the state's cattle projects have received their land since Poultry production operations are an expensive that over a considerable loss in the face of state regulated market prices. And in planning the sugar refining industry—four factories are currently under construction to supplement the three already an stream—nobody seems to have taken proper account of the amount of beet that would be available when the factories are complete. It will be forced to run well below capacity.

Optimistic

In addition to there being question marks (as the very least) over some of those agricultural projects that the State itself has sponsored, there is no doubt that the Government's production growth targets are too optimistic. Under the current development plan many of the output targets for individual crops are not going to be met by a wide margin as the Cabinet itself fears. Further, during the last 10 years Syria's agricultural output has not kept pace even with the increase in population, let alone the increase in general living standards, and this is despite good harvests since 1974.

Consequently Syrian food imports, principally soft wheat flour, raw and refined sugar, winter vegetables (mostly from the Jordan valley), citrus fruits and animal feeding materials—are worth about five times more than food exports (a combination of cereals, summer vegetables, hard wheat and certain types of beans). (These country's figures, however, do not reflect accurately on the agricultural sector, as a whole because they leave out wool and, much more important,

the state will pay and temporarily providing free seed. All this is not to say that government agricultural policy has been totally devoid of mistakes in recent years. On the one hand, the state's cattle projects have received their land since Poultry production operations are an expensive that over a considerable loss in the face of state regulated market prices. And in planning the sugar refining industry—four factories are currently under construction to supplement the three already an stream—nobody seems to have taken proper account of the amount of beet that would be available when the factories are complete. It will be forced to run well below capacity.

Optimistic

In addition to there being question marks (as the very least) over some of those agricultural projects that the State itself has sponsored, there is no doubt that the Government's production growth targets are too optimistic. Under the current development plan many of the output targets for individual crops are not going to be met by a wide margin as the Cabinet itself fears. Further, during the last 10 years Syria's agricultural output has not kept pace even with the increase in population, let alone the increase in general living standards, and this is despite good harvests since 1974.

Consequently Syrian food imports, principally soft wheat flour, raw and refined sugar, winter vegetables (mostly from the Jordan valley), citrus fruits and animal feeding materials—are worth about five times more than food exports (a combination of cereals, summer vegetables, hard wheat and certain types of beans). (These country's figures, however, do not reflect accurately on the agricultural sector, as a whole because they leave out wool and, much more important,

the state will pay and temporarily providing free seed. All this is not to say that government agricultural policy has been totally devoid of mistakes in recent years. On the one hand, the state's cattle projects have received their land since Poultry production operations are an expensive that over a considerable loss in the face of state regulated market prices. And in planning the sugar refining industry—four factories are currently under construction to supplement the three already an stream—nobody seems to have taken proper account of the amount of beet that would be available when the factories are complete. It will be forced to run well below capacity.

Optimistic

In addition to there being question marks (as the very least) over some of those agricultural projects that the State itself has sponsored, there is no doubt that the Government's production growth targets are too optimistic. Under the current development plan many of the output targets for individual crops are not going to be met by a wide margin as the Cabinet itself fears. Further, during the last 10 years Syria's agricultural output has not kept pace even with the increase in population, let alone the increase in general living standards, and this is despite good harvests since 1974.

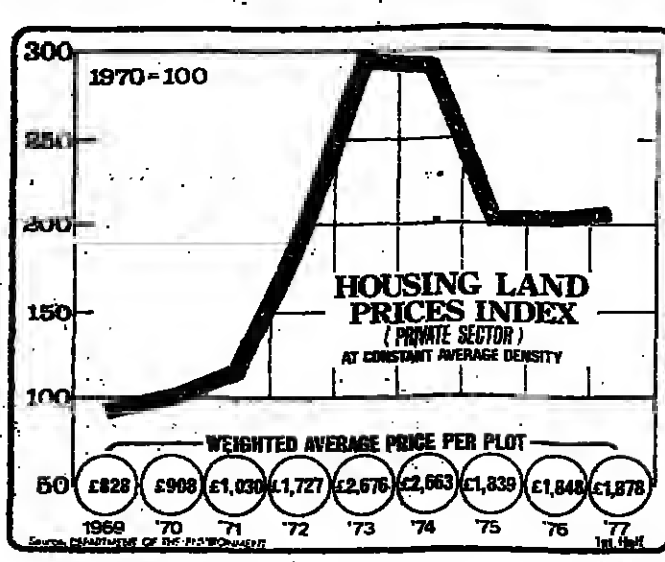
Consequently Syrian food imports, principally soft wheat flour, raw and refined sugar, winter vegetables (mostly from the Jordan valley), citrus fruits and animal feeding materials—are worth about five times more than food exports (a combination of cereals, summer vegetables, hard wheat and certain types of beans). (These country's figures, however, do not reflect accurately on the agricultural sector, as a whole because they leave out wool and, much more important,

growing fears over building land shortage

BY MICHAEL CASSELL, Building Correspondent

JGH 1977 looks set to which might change fairly replace the wild development of the past years in the decade for private housing. The activity of the market has reversed and the supply situation, in the housing market, becomes tighter. The major problem now confronting the house builders which cannot be resolved as easily or quickly as one of land.

The price of land has not so far presented many serious problems, with the market generally reflecting the current level of activity. It is the growing scarcity of development sites which is now giving cause for concern and the industry is particularly alarmed because it feels Ministers are totally underestimating the potential gravity of the situation.



The national land price conceals some considerable regional variations.

Land Scheme—an amalgam of a Land Act and a Development Land Tax—was designed to enable the community to control all significant development land and to benefit from any increase in land values which arose. In one package, it was intended to transform a system of land supply which had been complicated and confused ever since the 1947 Land Act.

The builders claim that this confusion still reigns and that the Government's policy has not and will not work, although many observers would suggest that it is too early to make a meaningful assessment of its impact on the land market and, on the planning and development control system in general.

The early days of the "new era" in land and planning policy have certainly been far from dramatic. In theory, the local authorities should by the end of the decade be supplying 60 per cent of all land for private housing but, in practice, curbs on public expenditure have already hit the acquisition programme and the rate of loan sanctions approved by the DOE will have to be substantially stepped up if targets are to be met.

Low output

For in spite of the relatively low level of housing output, sufficient supplies of land to feed even a modest building programme are becoming harder to find.

Shortages have become increasingly serious since the beginning of this year and the problem of finding suitable sites for development is one which is now confronting most contractors. The industry cites several reasons for the impending crisis. Not the least of these, the builders say, is a chaotic planning system and legislation which provides for penal taxation rates on people selling land for development.

The builders claim that planning delays have now at least doubled the time it takes to bring a greenfield site to the development stage. Local authority reorganisations in public expenditure and confusion caused by the failure of planning authorities to revise new structure plans in time to

of the pool of land with planning permission recorded earlier this year or for that matter back in the middle of 1976. Officials have made it clear that they do not believe a famine exists, although there are signs that they are beginning to be worried about the lack of new land becoming available.

The builders do not believe the figures, in much the same way as they have refused to accept the results of a survey among local authorities which suggested that there was sufficient land with planning permission to provide over 800,000 homes. As a result of their challenge, the Department is re-examining the figures.

Whatever the statistics show, the builders say the position is deteriorating. Wates, probably the largest private house builder in the country, claims that its land bank has been cut by around 25 per cent during the

Land tax

The tax, with rates of up to 83 per cent on profits arising out of the sale of land for development—a temporary concession now limits the rate to 66 per cent—has without doubt exacerbated the supply situation.

Falling land prices and the prospect of heavy taxes have led many landowners to hold on to an asset which they might otherwise have put on the market. Their resolve not to sell can only have been strengthened by the thought that the Conservatives, while agreeing the need for a tax on gains arising from the granting of planning permission, are at least committed to reduce the level of taxation levied. Mr. Pugh has also committed the DfE to consulting the Community Land Act.

The Conservatives will find many allies in the house building sector if, given the chance, they reduce D.L.T. But the

at least, is a situation new structure plans in time to

Letters to the Editor

clear
D. Henderson.
The award of a major power plant order to Siemens of West Germany (November 11) might be a dilemma faced by the rest of the world in which nuclear technology is chosen for this country's long nuclear power programme. It is a pity that some experts in this field have proved so far-sighted in their concern for the capability to develop it, but the capability to exploit it widely is a different matter. We could be the first to boil water, reactor technology, built and marketed in the U.S. have proven export success. It is not only the technology and the re-technicians that have to be exported but the know-how of the conversion plant, generators and ancillary equipment that help swell the benefit.

draw some small crumbs of comfort from the management salary figures given in Michael Dixon's column of November 10. If the table is examined using the general manager's salary as a reference, then it can be seen that professionally qualified production managers show a relative gain in salary from 1976 to 1977. Company secretaries show a similar trend, while cost accountants and marketing managers show a contrary move. In absolute salary terms, production managers still tend to be somewhat below the other functions, and it is disturbing to see that production engineers are continuing to fall back.

To-day's Events

- GENERAL: Pay negotiations resume between Fire Brigades Union and local authority employers.
- Prime Minister visits Derby factory of Rolls-Royce.
- Talks continue in Geneva on proposed fund to stabilise commodity prices.
- University teachers' meeting open, Central Hall, Westminster, W.1, followed by lobby of House of Commons.
- Mrs. Margaret Thatcher, Conservative Party leader, presents Dettol Nursing Awards, Churchill Hotel, W.1.
- Mr. David Lane, chairman, Commission for Racial Equality, gives opening address at BACIE conference, address at BACIE conference on Industrial Training.
- Boards and Race Relations, Drury Lane Hotel, W.C.2.
- Mr. Fred Nutley, Defence Secretary, speaks on British Defence Policy to-day, Royal United Services Institute, Whitehall, S.W.1.
- European Parliament in session, Strasbourg.
- London Chamber of Commerce trade mission to Japan now on week's visit to Osaka.
- International Building and Construction Exhibition opens, National Exhibition Centre, Birmingham, until November 23.
- Dr. Rhodes Boyson, Conservative MP for Brent North, speaks on 'The Threat to our Democratic Institutions', St. Lawrence Jewry, near Guildhall, E.C.2, 1.15 p.m.
- PARLIAMENTARY BUSINESS: House of Commons: Timetable motions on Scotland; Bill and Wales Bill.
- House of Lords: Debate on the Post Office.
- Select Committees: Expenditure (Environment sub-committee), Subject: National Land Fund. Witnesses: Department of the Environment and Department of Education and Science (4 p.m., Room 51, National Institute, 25, St. Martin's Lane, W.C.2).
- Subject: Sub-committee: Regional Water Authorities.

Exploited men
From Mrs. S. Liddall.
Sir—I pay the man who welds a pint brush in my home £2.50 per hour, plus the cost of the paint. He earns £100 per week and is not short of work. What right have we to expect a welder to earn £100 per week? I am ashamed that we exploit a fine body of men in this way. (Mrs. S. M. Liddall, 41, Southfield Road, Sevenoaks, Kent.)

Professionals v. gentlemen
From Mr. G. Gneditch.
Sir—Referring to the some what out-dated article by a correspondent now approximately 250 years dead (November 14, page 2), upon the present-day standards of architects, I only wish to pin-point one comment he makes, and I quote: "Accepting that clients were often strong in relation to the architects under employed in (The Monopolies Commission) pointed out that solicitors and accountants were in the same situation, yet were able to rely on their reputation and efficiency to secure adequate fees, and that an architect's fee was small in relation to the amount he might be able to 'ave a client; excessive charges; therefore was not in the latter's interest."

Business schools

From the Secretary, Scottish Business School.
Sir—Mr. Fanning's "Business schools boom" (November 14) refers to the reluctance of industry and commerce in this country to recognise the value of a post-graduate degree or diploma in business administration/studies. One of the reasons for this is that while in America they have had business schools since 1871, we in this country have only had such institutions for a fraction of that time. It goes without saying, therefore, that a British MBA or equivalent is still a rare asset to which industry and commerce have not yet become wholly familiar.

The right to strike
From Mr. R. Hemilton.
Sir—Mr. S. Greenalade's letter on "Striking" (November 12), questions the right to strike on the grounds that it becomes the right to kill. Surely this is an exaggeration of the type often used by those of totalitarian leanings when attempting to remove unquestionable rights of individuals or groups of individuals. It is a man's right to withhold his labours in order to produce financial reward sufficient to keep his family in comfort. It is a man's right to ignore the consequences of his action on other men's families, even on his country if that is his way. What the striker has no right to do is to ignore other men's families or his country while still expecting them to subsidise his family through National Assistance payments.

Doing a Laker
From Mr. E. Davey.
Sir—I wonder how much longer it will be before we read that British Rail-London Transport and all other forms of transport announce that they too are "doing a Laker". Indeed, some manufacturers could possibly do likewise.

Panic response to Skytrain
From the Executive Director, Oceanair Travel.
Sir—The six International Air Transport Association transatlantic carriers we read that British Rail-London Transport and all other forms of transport announce that they too are "doing a Laker". Indeed, some manufacturers could possibly do likewise.

Business schools
From the Secretary, Scottish Business School.
Sir—Mr. Fanning's "Business schools boom" (November 14) refers to the reluctance of industry and commerce in this country to recognise the value of a post-graduate degree or diploma in business administration/studies. One of the reasons for this is that while in America they have had business schools since 1871, we in this country have only had such institutions for a fraction of that time. It goes without saying, therefore, that a British MBA or equivalent is still a rare asset to which industry and commerce have not yet become wholly familiar.

If you're an employer in an Assisted Area, then we'd like to remind you about the Job Release Scheme.

This Scheme offers men aged 64 and women aged 59 on or before 31 March 1978, the chance to stop work up to a year before reaching statutory pensionable age. They now get more money too—£26.50 a week tax-free.

The point is, they can't take advantage of the Scheme without your agreement. And if you do agree to allow them to participate, then you must recruit people from the unemployed register to replace them—though not necessarily for the same jobs.

As a result of this Scheme, your employees have the chance to stop work a year early, which may give you the chance to do a bit of promoting. Above all, you'll be able to take on new staff. Doing that means you're also giving a job to someone who wants to work. Employees who wish to take part in the Job Release Scheme must apply by 31 March 1978. There'll be advertising in the national press to tell them about it. Leaflets with full details of the Job Release Scheme are available from any Employment Office, Jobcentre or Unemployment Benefit Office. Just ask for copies of the Job Release Scheme Leaflet. Or ring 01-214 6403 or 01-214 6497 for information.

Management salaries
From the Head of the School of Production Studies, Cranfield Institute of Technology.
Sir—Those of us who are concerned with the problems of production industry, and who believe in the necessity of raising normal fares, and most holiday-makers will continue to travel on advance booking charters, whose

Panic response to Skytrain
From the Executive Director, Oceanair Travel.
Sir—The six International Air Transport Association transatlantic carriers we read that British Rail-London Transport and all other forms of transport announce that they too are "doing a Laker". Indeed, some manufacturers could possibly do likewise.

JOB RELEASE SCHEME
Department of Employment DE

COMPANY NEWS + COMMENT

Courtaulds forecasts full year shortfall

WEAKER conditions, particularly in export markets, have hit Courtaulds' results for the first half to September 30, 1977, and the company is warning that its already very narrow margins on many product lines will be affected further by their recent 3 per cent rise in the value of sterling.

Total sales rose in the first half to £78m, compared with £69m in the same period last year and total sales to 1976-77 of £1.5bn. Profit before tax came to £27.9m, compared with £21.8m, but Courtaulds is expecting the full year to show a significant drop on last year's total of £80.9m.

Sir Arthur Knight, Courtaulds chairman, described the results yesterday as less than satisfactory though as good as could be expected given the present state of demand in Europe for textiles. As a result of sterling's rise over the year and continuing U.K. inflation the company had become less competitive over the past year Sir Arthur said, and he attacked the Government's exchange rate policy as non-sensical.

"The markets in which we operate are established markets in which price is predominant. There are those who suggest that the rate of exchange is not so important," he said.

Sir Arthur stressed nevertheless that the company will not be diverted from its strategy of seeking to establish itself as a main supplier of bulk fabrics across Europe, based on higher productivity levels, better equipment and lower U.K. wage costs.

"The prospects for the company depend on companies like ours being able to achieve this position. Unfortunately we are being clattered at the moment because the Government has been unable to find ways of handling the situation in a way which suits us."

HIGHLIGHTS

Courtaulds has achieved its forecast for the half-way stage with a near 30 per cent gain in profits, but the company warns that difficult trading conditions and a squeeze on export margins will lead to lower profits for the year as a whole.

Lower volume growth at Phillips is confirmed by the third quarter figures with profits only 5 per cent higher. Royal Insurance, on the other hand, has nearly doubled profits after nine months and the company continues to make underwriting profits while there is a 20 per cent increase in premiums written. Completing the Lex column is Chloride, where profits are disappointing after U.K. strikes cost the company £3m, while temporary setbacks in the U.S. and Australia cost a further £2.5m. Elsewhere, Wheatheaf has suffered from the supermarket price war and the need to maintain volume and profits are 35 per cent lower with margins nearly halved.

September 30, there was a deficit of £5m.

The interim dividend is lifted from 2.15p to 2.60p net per 25p share and an additional 0.67p is declared for 1976-77 following the reduction in ACT. Last year's final payment was 4.54p.

See Lex

Expansion at Great Portland

WITH GROSS rental income advanced from £3.5m to £3.92m for the half year to September 30, 1977, revenue of Great Portland Estates expanded from £1,454,000 to £1,960,000 before tax of £1,710,000.

The company has charged to pre-tax revenue the sum of £37,000 for the half year to September 30, 1977, for the exceptional repairs to buildings and £393,000 (nil) on remedial work in connection with latent defects.

Interim dividend is maintained at 1p net for 1976-77 payments totalling 3.947p per 50p share from £2.67m revenue.

The company has reserved for appropriation £1,046,000 (£769,000), including £3,000 (£32,000), being net outgoings for the period attributable to properties in course of development.

Advance by Stockholders' Trust

In the year to October 31, 1977, Stockholders' Investment Trust lifted total income from £1.94m to £2.02m, and after expenses and interest of £443,307 against £543,531, tax up from £481,113 to £572,363 and minority and subsidiary retention of £1,000 compared with £53,357, the balance available to ordinary holders advanced from £577,453 to £863,867.

Earnings are shown to have risen from 1.77p to 2.19p per 25p share and, as forecast, the dividend total is stepped up from 1.65p to 2.05p net with a final of 1.25p.

The net asset value per share is given as 123.6p (101.9p).

NEB looks at Fairey

Sir Charles Hardie, the Receiver of the Fairey aviation and engineering group, confirmed yesterday that the National Enterprise Board had expressed an interest in the group and had requested further information. However, he stressed that the NEB was in no different position from any of the other parties interested in acquiring all or part of the group.

He added that he was in no rush to sell off the group, since the various parts of the business

LCP just ahead at midterm

ON TURNOVER of £63.44m against £59.94m, the pre-tax profit of LCP Holdings was just ahead from £2.03m to £2.11m for the six months to September 30, 1977.

At the trading level a marginal fall from £2.9m on the merchandising and manufacturing side was offset by an increase from £28,000 to £21,000 from the group's property interests.

The directors say that in the absence of further widespread disruption in the industrial sector, the manufacturing and merchandising operations have the capacity to improve their contribution to earnings and they are confident that the substantial property interests will show further growth.

After a first-half tax of £593,000 (£510,000) pre-tax earnings are shown to be unchanged at 6.5p per 25p share. The interim dividend is lifted from 1.4p to 2p net.

For the year to March 31, 1977, pre-tax earnings are shown to be £1.1m and the dividend total was 4.29p.

GEI jumps 38% in first half

ON TURNOVER up by 32 per cent to £22.74m, engineers GEI International reports taxable profits for the six months to September 30, 1977, ahead by 38 per cent from £1.5m to £2.07m. Mr. Thomas Kenny, the chairman, says that the group's profit will exceed the record £4.14m, for 1976-77.

The interim dividend is increased to 1.45p (1.30p) net per 20p share—last year's final was 2.40p.

Mr. Kenny adds that outstanding orders are 34 per cent higher than a year ago, the improving trend being particularly marked in the product-based companies. Expansion programmes are on target, he says, most of which have contributed to the results.

The remainder make their budgeted contribution in the second half, he adds.

The group's financial position continues strong, the chairman states, and includes net cash and government bonds to excess of £2.5m.

Malton Inv. decides to liquidate

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

Yearlings at 6 7/8%

The coupon rate on this week's batch of Treasury bills has increased marginally to 6 7/8 per cent, after rising to 7 per cent last week. The bonds issued at 29 1/2 per cent are due on November 22, 1978.

The issues are: Staffordshire County Council (£1m), Brantree District Council (£1m), Kirkcaldy Metropolitan Borough Council (£1m), Copeland Borough Council (£1m), Birmingham District Council (£2m), Brighton Borough Council (£1m), Brentwood District Council (£1m), New Forest District Council (£1m), Southampton Borough Council (£1m), Northampton Borough Council (£1m), Rhymney Valley District Council (£1m), Shrewsbury and Atcham Borough Council (£1m), County Council of South Glamorgan (£1m), and London Borough of Southwark (£1m).

Three-year bonds, carrying a coupon of 9 1/2 per cent, due on November 12, 1980, are issued by Tandridge District Council (£1m) and Borough of Cheltenham (£1m).

Stoddard sees U.K. downturn

Home demand shows signs of strengthening, Sir Robert Maclean, the chairman of Stoddard Holdings, said at the AGM. However, he told members that it does not look as if home sales volume will reach last year's level, which must have a detrimental effect on home profitability.

Export trade on the other hand continues to do well, and unless foreign governments impose further restrictions on the import of their carpets, the export trade will remain both large and profitable, he added.

J. N. Nichols expansion in first half

Earnings of fruit compound, essence, squash and cordial makers J. N. Nichols (Vimto) expanded from £257,876 to £267,222, subject to tax of £157,747, against £131,800, in the half year to September 30, 1977. Sales were £0.83m, better at £2.26m.

The directors consider that results for the second half should follow the pattern of recent years and that the full year figures will be similarly satisfactory. For 1976-77 total profit was a record £308,006.

The net interim dividend is lifted to 2.5p (1.75p) adjusted for one-for-one scrip issue. Last year's total of an equivalent 5.75p included an equivalent 1p shortfall in dividends paid in previous year under close company status.

Malton Inv. decides to liquidate

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

Yearlings at 6 7/8%

The coupon rate on this week's batch of Treasury bills has increased marginally to 6 7/8 per cent, after rising to 7 per cent last week. The bonds issued at 29 1/2 per cent are due on November 22, 1978.

The issues are: Staffordshire County Council (£1m), Brantree District Council (£1m), Kirkcaldy Metropolitan Borough Council (£1m), Copeland Borough Council (£1m), Birmingham District Council (£2m), Brighton Borough Council (£1m), Brentwood District Council (£1m), New Forest District Council (£1m), Southampton Borough Council (£1m), Northampton Borough Council (£1m), Rhymney Valley District Council (£1m), Shrewsbury and Atcham Borough Council (£1m), County Council of South Glamorgan (£1m), and London Borough of Southwark (£1m).

Three-year bonds, carrying a coupon of 9 1/2 per cent, due on November 12, 1980, are issued by Tandridge District Council (£1m) and Borough of Cheltenham (£1m).

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. for year	Total for year	Total last year
Charter Concessions	3.03	Jan. 9	2.75	7.5	4.9
Chloride Group	1.34	Jan. 6	1.16	6.71	7.48
Courtaulds	2.415	Jan. 13	2.16	8.88	3.57
Equity Income Trust	5.98	—	0.85	3.72	3.95
Farm Feed	Nil	—	—	—	—
GEI Int'l	1.46	Jan. 24	1.31	7.0	4.29
Great Portland Ests.	1	Feb. 2	1	1.75*	1.65
Impala Platinum	202	—	20	—	—
LCP Holdings	2	Jan. 6	1.4	2.05	1.4
J. N. Nichols	2.5	—	1.75*	—	—
Stockholders Inv.	1.25	Jan. 11	1.03	2.05	1.65
Wheatheaf Distribution	3.3	—	2.8	—	—
Young Brewery	1.05	—	1.4	—	—

Dividends shown per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Additional 0.07p for 1976-77. §Corrected. Somb African cents. ¶Additional 0.22245p for 1976-77.

Stoddard sees U.K. downturn

Home demand shows signs of strengthening, Sir Robert Maclean, the chairman of Stoddard Holdings, said at the AGM. However, he told members that it does not look as if home sales volume will reach last year's level, which must have a detrimental effect on home profitability.

Export trade on the other hand continues to do well, and unless foreign governments impose further restrictions on the import of their carpets, the export trade will remain both large and profitable, he added.

J. N. Nichols expansion in first half

Earnings of fruit compound, essence, squash and cordial makers J. N. Nichols (Vimto) expanded from £257,876 to £267,222, subject to tax of £157,747, against £131,800, in the half year to September 30, 1977. Sales were £0.83m, better at £2.26m.

The directors consider that results for the second half should follow the pattern of recent years and that the full year figures will be similarly satisfactory. For 1976-77 total profit was a record £308,006.

The net interim dividend is lifted to 2.5p (1.75p) adjusted for one-for-one scrip issue. Last year's total of an equivalent 5.75p included an equivalent 1p shortfall in dividends paid in previous year under close company status.

Malton Inv. decides to liquidate

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

The Board of Malton Investment Trust has decided to recommend to shareholders that the company be placed in members' voluntary liquidation. An extraordinary general meeting to deal with this proposal will be held on December 16.

Royal Insurance soars to £104m.

INCLUDING AN underwriting surplus of £17.9m, against a loss of £14.9m, Royal Insurance Company almost doubled pre-tax profit for the first nine months of 1977, from £55.1m to £104.2m.

This represented an advance of £58.3m, compared with £18.6m, in the third quarter, but the directors point out that figures for interim periods do not necessarily represent a reliable indication of the total for the full year. For the whole of 1978 profit was £78.1m.

Exchange rate gains added £2m to the nine-month profit while underwriting was adversely affected by about £1m, and investment income benefited by some £5m.

General insurance premiums written during the period amounted to £35.5m (£79.9m) and investment income expanded from £35.4m to £32.6m. Earnings per 25p share are shown to be ahead at 4.5p (2.5p).

The underwriting turnaround followed a jump in profit from £3.4m to £13.9m in the U.K. and £1.8m to £1.3m in Canada.

The U.K. increase was due to the absence of major storms, an improvement in the liability portfolio and more favourable industrial fire business. The Canadian result reflects the underwriting action taken in 1975 and 1976. No profit had been made in the potential refunds which may become payable to policyholders under the anti-inflation regulations, the directors say.

Results in the U.S. where the overall underwriting loss was cut from £18.7m to £8.8m. There was a significant improvement in the commercial business with profits of not less than 400p expected to be made within one month of the passing of the liquidation resolution, after payment of the debenture stockholders and other creditors.

The directors consider that liquidation is in the best interests of shareholders and strongly recommend acceptance of the resolution. The share price advanced 13p on the news to 47.5p.

BCA first quarter profit up

A GOOD start has been made by British Car Auctions in the three months of the current year with turnover and profits of the corresponding period being up 10 per cent on the previous year. The company's chairman, Sir David Wicks, said in his annual report.

As reported on October 5, tax profits for the year to 1977 were £1.1m, compared with £0.7m for the previous year. The dividend is set against an adjusted 2.00p per share, a one-for-three scrip.

Sales of vehicles from operations have increased by 10 per cent, and the current year's further growth is expected. All 14 branches of the company's motor auctions have been established in the year. Mr. Wicks says: "Our company's antique and Aldridge, held its first and second auctions in September 1976, and also has made steady progress. Chairman says that the main point to a substantial improvement in the current year, over Antiques, however, difficult year to date."

Subsidiary Redagases is engaged in the liquidation of the company's profits of £27,000 are being shared with the company's intention to enter operation to other branches. He feels confident this company has considerable scope for expansion.

The directors of British Car Auctions, Sir David Wicks, says that the main point to a substantial improvement in the current year, over Antiques, however, difficult year to date."

Marginal rise at Acorn Secs.

TOTAL GROSS revenue of Acorn Securities Company rose £48,000 to £17,000 for the year to August 31, 1977, and revenue was marginally up £152,905 compared with £151,000 (£151,000). New sums assured £640,000 (£664,500); new annuities per annum £24,500 (£21m).

General Insurance	1977	1976	1975
Underwritten surplus	17.9	14.9	11.7
U.K. Irish Rep	15.8	11.7	10.1
Canada	1.3	1.8	1.2
U.S.	0.7	2.1	2.4
Other overseas	2.2	2.9	4.9
Long term ins. prof.	1.2	1.3	1.7
Investment income	32.6	35.4	37.4
Share of assoc. cos.	2.2	1.2	1.8
Pre-tax profit	38.3	32.7	37.1
Tax	1.3	1.3	2.3
Minority int.	0.3	0.2	0.4
Net profit	36.7	31.2	34.2

SMITHS INDUSTRIES 1977

The very satisfactory results for 1976/77 demonstrate once more the value of our wide and of the acquisition and diversification policies of recent years.

Roy Sisson, Chairman

The following are additional salient points from the Chairman's review.

- * Profit before tax was 27% higher and earnings per share also increased by 27%.
- * Industrial relations during the year were generally good. It is hoped that our record of mutual understanding and tolerance will continue during this current period of the Income Policy so that all with an interest in the Company will continue to prosper.
- * Direct exports increased by a third. Overseas turnover—which includes indirect exports and sales by overseas subsidiaries—increased to 55% of total turnover, excluding distribution activities.
- * The Company remains strong in cash resources and well able to finance further expansion.
- * In most areas of our business we are well covered by orders, many in the form of hard-won export contracts. Our prospects for the present year are encouraging.

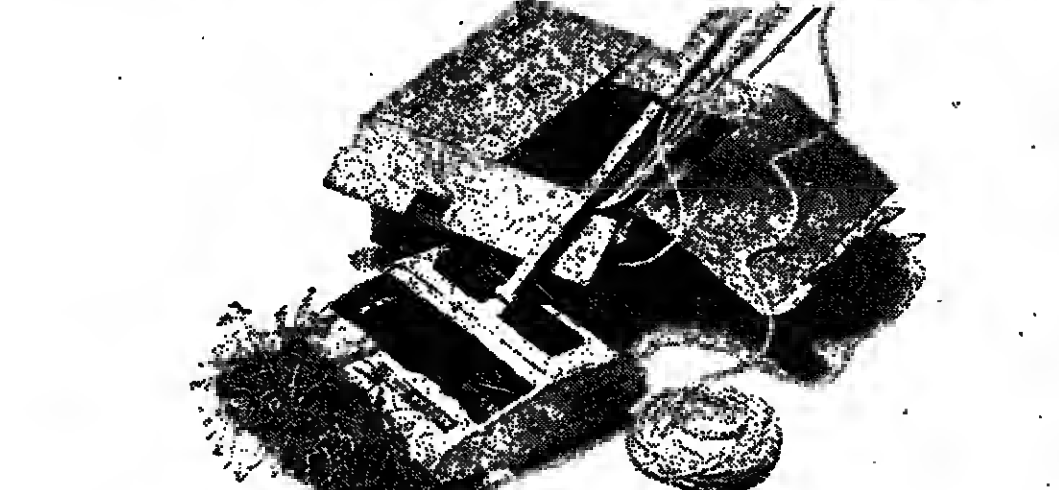
RESULTS FOR THE LAST FIVE YEARS					
	1977	1976	1975	1974	1973
Turnover	224.1	180.8	157.5	135.8	117.0
Trading Profit	21.7	17.5	15.1	13.2	11.7
Profit before Tax	20.5	16.2	12.5	11.3	10.5
Overseas Turnover	103.0	80.1	67.4	54.1	40.9

Copies of the Report and Accounts and of the Special Report 1977 can be obtained from the Secretary.

SMITHS INDUSTRIES LIMITED
CRICKLEWOOD LONDON NW2 6JN

MANUFACTURERS OF VEHICLE AEROSPACE MARINE MEDICAL TUNING AERONAUTICAL AND HYDRO EQUIPMENT; CLOCKS; WATCHES; CAR RADIO; CERAMICS AND INDUSTRIAL INSTRUMENTS AND TRIBUTORS OF PARTS AND ACCESSORIES FOR VEHICLES AND FOR INDUSTRIAL PLANT AND MACHINERY.

Before you mow the lawn with it, Smurfit print and package it.



Star Prize award winning corrugated cases, designed with Birmid Qualcast for their lawn-mower range. Just one of the many everyday products produced by the specialist companies within the Jefferson Smurfit print and packaging group.

Smurfit
Synonymous with print and packaging.
30 Sloane Street, London SW1 X9NJ

80 operating units employing 9,000 people.

مركزنا للتجارة

Insurance to £100

K. strike cuts Chloride £3.6m. at halfway

Chloride's profit of £13.4m. was cut by £3.6m. at the halfway point of the year, the company said today. The profit was £17.0m. at the end of the year, but the strike cost the company £3.6m. at the halfway point. The company said that the strike cost it £3.6m. at the halfway point. The company said that the strike cost it £3.6m. at the halfway point.

The new chief executive, Mr. John Edwards, who leaves Chloride today to join Leyland, said that the company's strategy for the current year was for consolidation, and this would continue as long as necessary, but suggested that it would not be a long period of consolidation. In the current year capital spending will be around £23m. to £25m. against £19.5m. previously.

Overall the automotive-battery business continues buoyant and an improved performance is expected from Chloride America. Recovery in world demand for capital goods, which affects orders for motive power batteries, is about but there is an upward trend, he says.

Good prospects at Smiths Inds.

THE PROSPECTS of Smith Industries are encouraging with most areas of business well covered by orders in the form of hard won export contracts. Mr. E. Roy Sisson, chairman, says in his annual statement.

But he believes the U.K. rate of inflation is too high and feels the main doubt for the current year is the degree of industrial disruption which may arise from continued need to control inflation.

Halftime loss by Farm Feed

TURNOVER FOR the half year to July 31, 1977, at Farm Feed Holdings, the U.K. feed manufacturer, was £22.9m. compared with £24.0m. for the same period last year.

The directors also point out that if overseas results for 1976-77 had been converted to September 30, 1977, exchange rates, pre-tax profit would have been reduced by £17,000, and after tax by £204,000.

LONDON EC4

new air conditioned development

Approx. 7,100 sq. ft.

Entire Office Floor TO LET

Immediate Occupation Apply Agents

PER ANGLISS & YARWOOD ALLSOP & CO

Wheatsheaf

INTERIM RESULTS 1977-78

the 28 weeks ended 10th September 1977

	1977	1976
	£000	£000
Turnover	216,342	170,151
Group Profit before Tax	1,532	2,400
Dividend per Share	3.5p	2.5p
Earnings per Share	4.7p	7.7p

Over increased by 27% but profits were down due to pressure on margins, rising expenses of the fourth Carrefour hypermarket, costs of integrating businesses and the general economic circumstances of the consumer.

The interim dividend is raised to 3.5p per share (2.5p).

Profits are recovering in the second half and should be similar to those of the same period last year, after adjusting for profits from property disposals realised last year.

The fifth Carrefour will be opened next year at Patchway near Bristol.

Copies of the full interim report can be obtained from The Secretary, Wheatsheaf Distribution & Trading Limited, St. George's House, St. George's Street, Winchester, Hants.

MONEY MARKET

Very large assistance

England Minimum Rate 5 per cent. October 14, 1977.

day-to-day credit 2.50 generally expected

money market

and the authorities by large amount of by buying a small treasury bills from the usage and by lending a overnight, at Bank of minimum Lending Rate ent. to six or seven

of help was probably

overdone, but this may have been the result of the cautious view taken by the clearing banks, ahead of the mid-month make-up to-day.

Banks carried forward small surplus balances, and the market was also helped by redemption of 3 per cent. Treasury 1977. Although money is proving very slow in working its way into the system from this source.

On the other hand there was a fairly large net take-up of Treasury bills to finance revenue payments to the Exchequer

exceeded Government disbursements, settlement was made of gilt-edged stock sold by the authorities, there was a rise in the note circulation, and repayment was made of funds lent to the market on Monday.

Discount houses paid 4-1/2 per cent. for secured call loans at the start, and closing balances were taken at around 3 per cent.

In the interbank market overnight loans opened at 4-1/2 per cent., rose to 4-1/2 per cent., and closed at 2-1/2 per cent.

Rates in the table below are nominal in some cases.

Overnight	Interbank	Low	Local	Finance	Overnight	Discount	Treasury	Exchange	Bank	Prime
Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

مكازم النحل

Before you hear the fizz, Smurfit produce the packaging



Printed cartons, laminate unit packs and labels for Alka-Seltzer. Just one of the many everyday products produced by the specialist companies within the Jefferson Smurfit print and packaging group.



More than 45 years of print and packaging experience.



Sugar is adding even more to Capper-Neill's international weight.

Quite a lot, in fact. Earlier this year we won a 24-year contract worth £25 million for on-site process plant construction at Kenana, in the Sudan, for what will be the world's biggest sugar refinery.

On the other side of Africa, our Canadian associate won a similar contract in the Ivory Coast.

In addition to a £4m contract for insulated LPG storage tanks in the oil industry, recent successes have included contracts in the food, brewery and irrigation industries.

This growing involvement in the construction of complete process plants, including all the mechanical and electrical equipment for an ever widening range of industries, emphasises the broadening of our range of capabilities in worldwide markets.

The world wants what Capper-Neill makes.

Capper-Neill Limited, Warrington, Cheshire WA1 4AU. Telephone (0925) 812525. Telex 628382.

Storage, pipework, materials handling and process plant for world industry.

AND DEALS

Mr. Jessel 'reluctantly' accepts James offer

MR. JESSEL has with opposition to the bid for James Industries for Doiland. Speaking at a shareholders' meeting...

Coral pays £1m for betting chain

Coral Leisure, the gambling and catering group, is buying a chain of 53 betting shops in South Wales for £1m.

BIT/NCBPF Formal documents with the offer for the takeover of British Investment Trust...

Funds have now been dispatched by S. G. Warburg.

Following a ruling by the City Take-over Panel, the originally announced condition relating to the movement in market values by more than a given percentage during the currency of the offer has been waived.

The offer, in cash at 98 per cent of net asset value, has been resisted by British Investment's directors, who have claimed that the offer contains a number of unacceptable factors of principle and detail and have said they will not recommend acceptance of any proposal which does not fully value British investment.

Black Diamond says that if and when the offer for the Ordinary becomes unconditional, it will make a comparable offer for the convertible Debenture stock.

SPENCER CLARK METAL FORECAST

In a circular giving further details of the acquisition from Danford and Elliott of the Greaseborough Street Works, the directors of Spencer Clark Metal Industries forecast a goal of 1.45p on increased capital to make 2.39p (2.14p), for the year to September 30, 1977.

Over the last few months Spencer Clark has experienced an increased order intake from its specialist engineering markets and the Board understands that a similar upturn is being experienced at the Greaseborough Street works.

Bishopsgate sells Berkeley Hambro stake

Bishopsgate Property and General Investments has sold its last remaining quoted investment - a 5.2 per cent stake in Berkeley Hambro Property.

The sale comes within a fortnight of Bishopsgate's sale of its 22 per cent stake in County and District Properties, which raised £15m, compared with a book value of £779,000.

The two sales boost Bishopsgate's cash position by £21m, but do not help solve the company's main problem, a £114m Deutsche bank loan which is due for repayment in December next year.

IMI EXPANDS IN FRANCE

Imperial Metal Industries has acquired for an undisclosed sum a controlling interest in Toteris de Grenoble of France, manufacturers of the Pacific range of electric domestic and industrial water storage heaters.

In addition to its factories at Grinoble and L'Horme, near St. Etienne, the company operates a number of distribution depots and employs 700 people.

Birmingham-based IMI already manufactures domestic water cylinders, industrial colorifiers, electric water storage heaters, solar heating equipment, air showers, through its UK subsidiaries IMI Range, Rycroft (Calorifiers) and IMI Sention.

The Pacific products, designed to Continental standards, will complement those of existing IMI companies, thereby strengthening IMI's position in overseas markets by enabling the company to meet requirements for water heaters wherever pressurised mains-fed plumbing systems are accepted.

Midway slip by Young Brewery

DESPITE AN increase in turnover from £7.23m to £8.76m, pre-tax profits of Young and Co's Brewery slipped from £86,368 to £84,845 for the half year to September 30, 1977.

The interim dividend is lifted from 14p to 1.6p per 50p share and an additional 0.022248p is also declared for 1976-77 following the reduction in ACT. Last year's total was 2.545p and pre-tax profits came to £1.49m.

Mr. John Young, the chairman, commenting on the reduced profits says the group increased its trade and held prices for ten months from September 1976 to July, 1977, but its efforts were eroded by increasing costs.

New insurance broking group formed

A new group of companies has been formed in Coventry under the name of West Midlands Securities and Investments, formerly Lightning Finsce Company, comprising Peter Betej, a firm of insurance brokers and a finance division incorporating Motor Investments (West Midlands), and the Lightning Finance Group.

The finance division is a privately-owned finance house. Peter Betej has operated in Coventry and the surrounding districts since 1947.

The group intends to expand its insurance brokerage to provide a more comprehensive range of facilities.

The main Board remains unchanged, as do the operational directors of Peter Betej and Motor Investments.

N. Atlantic Secs. to pay at least 2.7p

In their annual report, the directors of North Atlantic Securities Corporation tell members that they hope the dividend will be at least maintained at the increased rate of 2.7p per 25p share for the current year.

As reported on October 25, gross revenue for the year to September 30, 1977 reached £1.13m. However, a strict comparison cannot be made with the previous year's £0.97m, because of the U.S. dollar loan raised in August.

During the year the directors decided that it would be prudent to reduce the company's exposure to the investment currency premium. At the beginning of the year, the full value of this premium was £4,818,084 equivalent to 20 per cent of net assets.

To achieve this end, a loan of U.S.\$2.3m was negotiated at 7 1/2 per cent, repayable in 1979. The proceeds of this loan were applied in acquiring certain U.S. securities of a similar total market value from the company's U.S. premium portfolio.

Francis Industries has entered into an agreement to sell United Lifts to O and K Oreinstein and Koppel A. G. of Dortmund, together with other premises. For the agreement to be subject to approval by the Bank of England and the trustees to the unsecured loan stock holders.

Francis is planning to use the proceeds for the further expansion of the group.

Shareholders of Allied Plant the building services group are promised a 50 per cent rise in the dividend to 1.175p net in the documents detailing the projects for which Allied is seeking to issue 1m new shares.

National and Commercial Development Capital announces, on behalf of British Electronic Controls that the Scheme for the acquisition of BEC by SRE Electronics was approved at appropriate meetings.

Subject only to the court's final approval will become effective on December 1 and cheques will be posted on December 9.

The votes recorded on the Court Scheme were: for 1,873,023; against 23,184.

GENEVA

Full Service is our Business. Law and Taxation. Mailbox, telephone and telex services. Translations and secretarial services. Formation, domiciliation, and administration of Swiss and foreign companies.

Full confidence and discretion. Business Advisory Service. 3 rue Pierre-Fatio, 1204 Geneva. Tel.: 26 05 40. Telex: 2302

COURTAULDS

Interim Profit and Dividend

The Board has declared an interim dividend in respect of the 1977/78 year amounting to 2.478p per 25p Ordinary Share in respect of profits earned in the year to March 1977, and arises from the reduction in the rate of A.C.T. This dividend, together with the imputed tax credit amounts to 3.754p (1976-3.317p) and will be paid on 13th January 1978 to the Ordinary Shareholders registered in the books of the Company as at the close of business on 15th November 1977.

Unaudited results for the first six months of the 1977/78 financial year are:-

Table with 2 columns: 1st Half 1976/77 and 1st Half 1977/78. Rows include Total Sales to External Customers, Sales to U.K. Customers, Exports from United Kingdom, Trading Surplus, Depreciation, Profit before Taxation, Less: Taxation, U.K. (Including A.C.T.), Overseas, Less: Minority Shareholders' Interest, Courtaulds Shareholders' Interest, Less: Preference Dividends, Courtaulds Ordinary Shareholders' Interest.

Changes in the sterling value of overseas net assets will be dealt with in the year end accounts. At the exchange rates applicable on 30th September, 1977 there was a deficit of £6m.

U.K. sales volume increased marginally, but the volume of sales overseas, including exports, was lower than that in the first six months of last year. Trading results are in line with those foreseen in July, and reflected last year's closure of some activities which had been making losses.

£27m was spent on new fixed assets and £35m on increased working capital. Cash resources were reduced by £17m compared with £85m during the same period last year.

Trading conditions remain difficult both at home and overseas, and export results continue to be affected adversely by the increased external value of sterling. The future of some operations remains under review. There are other uncertainties, including the possibility of further industrial disruption in pursuit of pay claims not justified by increased productivity.

For these reasons, although trading results for the second half could show some improvement over those of the first six months, the results for the full year are expected to fall short of 1976/77.

Courtaulds, Limited. 18 Hanover Square, London W1A 2BB. C. J. Cornwall, Secretary, 15th November 1977.

Electra Investment Trust LIMITED. Interim Report (unaudited) for the six months ended 30th September, 1977. Earnings table, Interim Dividend, Assets table, AN ELECTRA HOUSE COMPANY logo.

AZCON Corporation, a subsidiary of Consolidated Gold Fields Limited. \$25,000,000 Senior Notes due 1992. We acted as financial advisor to AZCON Corporation. Schrodgers logo and address.

Asset Valuation - What's our standing Mr Fuller? One of Britain's leading experts Mr Horsey. Fuller, Horsey, Sons & Cassell. 52 Bow Lane, London EC4M 9ET. Tel: 01-248 7954.

Printed and packaged by Smurfit. Advertisement for Smurfit's printing and packaging services, featuring an image of a printing press operator.

Wankie Colliery Company Limited

(Incorporated in Rhodesia)

REVIEW BY THE CHAIRMAN, SIR KEITH ACUTT, K.B.E.

The Wankie Colliery Company was not alone in experiencing great difficulties during the year and, in common with other companies, it was particularly vulnerable in changes in industrial activity in the country.

The demands for coal and coke have been very variable and some heavy industries have been re-stocking to an imprudent level. It is not in our hands nor readily transportable when required. The availability of electric power from hydro sources has also required the call for thermal generation. As a result the production pattern at the mine has been disrupted throughout the year.

A decision to close No. 4 Underground Colliery was taken at the year end as the immediate foreseeable demand for coal does not warrant keeping it in production. It will, of course, be kept on a care and maintenance basis but nevertheless, as it is a heavily mechanised Colliery, it will take time and money to bring it back into operation. In the meantime the demands can best be met from the financial pits and from No. 3 Colliery where production has been increased. We are well able to supply the indicated requirements of our Rhodesian customers but should there be an increased demand from other customers, the current pattern of production so recently established may have to be changed again to suit the circumstances.

Our Technical Advisers, the General Manager and his staff, indeed all our employees, have had the unenviable task of adjusting their production effort to a continually changing pattern of demand. They have had to do so in the situation brought about by the security restrictions necessary in an isolated area and all have shared in the disruption caused by the call up of employees for military duties. They deserve our thanks.

The urgent need to train many of our African employees so that they can be utilized in their full capacity has been fully recognised and progress in this direction is pleasing and is gaining momentum.

Sales of coal at 2,197,000 tonnes were 12% down on last year and, while coke sales at 194,000 tonnes were only marginally less than the previous year, the reduction in demand for both commodities occurred mainly in the latter half of the year.

So far as coke is concerned the No. 2 Ovens, which are the only ones in operation now as we closed the Battery at No. 1 in June, are producing at the minimum rate. This on current sales is about 2,500 tonnes a month more than we are selling and we are at present adding to the stockpile at an uneconomic rate.

In all the circumstances the trading results for the year are satisfactory but they are far below the entitlement of the Company in terms of the Agreement recently concluded with the Government to which I will refer later.

The net profit from trading was \$5,191,000 compared with \$3,368,000 the previous year and, after adding the reduced income from interest and dividends of \$2,710,000, the profit before taxation was \$5,481,000.

Our dividend from investments was reduced as we had less money earning interest and on some occasions, when our customers were tardy in payment, we had to resort to borrowing.

The profit after provision for taxation was \$2,645,000 and after adding \$793,000 brought forward, a total of \$3,438,000 was available for appropriation.

Total dividends declared for the year equal to 7 1/2 cents a share amounting to \$1,900,000 and \$800,000 was transferred to Capital Reserve which now stands at \$2,314,000.

We have continued the practice of providing for future taxation but the deferred taxation account as you will see is in effect a capital account and practically the whole amount standing to its credit has been employed in existing capital assets. The provision of funds for future capital requirements, in particular for any expansion should this be necessary either for increased industrial purposes or for thermal generation of electricity, is a matter of concern and it is certainly not one which we can either gauge or plan at this time. We have, however, managed to retain sufficient funds for our immediate needs.

It is largely the greater reduction in sales than we estimated that has caused the deficit in the profit on local sales compared with the estimates agreed with Government for the year which has just ended. This deficit of profits amounts to \$2,130,000 and is, in terms of the agreement, recoverable this year.

The estimates of costs and sales for the year 1977/78 were passed to Government soon after the August year end. It was clear then that, in present conditions of world trade as they affect Rhodesia, an increase in the price of our products which would comply with the provisions of the Agreement for the recoupment of any deficiency from the previous year and at the same time allow the Company a profit in the New Year of 1978, on the capital employed, could not be implemented. To achieve this at the anticipated volume of sales increased prices of over 20% across the board would have been called for.

It is regrettable that the Agreement provides for an annual review after the end of the financial year as in practice the new price agreed is only applicable for some ten months of each financial year. The Government, however, has now agreed that, in suspending the agreement, a review of the situation will be undertaken before the Company's year end.

The long history of the Coal Price Agreement has never been satisfactory so far as the Company is concerned and the recoupment of the deficiency has repeatedly been delayed and often finally abandoned. Now, however, in agreeing to accept a 10% increase in the price of its products and the temporary suspension of the Agreement, we are hopeful that when demand improves its terms will be fully implemented. This is important not only to maintain a reasonable return to shareholders but because, as I have repeatedly stressed, the ability of the Company to maintain production levels, let alone to expand when necessary, depends on the retention of sufficient funds.

While at present we are able to finance our immediate needs it must be clearly understood that, should the scale of operations require major changes, the provision of the necessary capital will be a problem.

In the present year we believe that, unless there is a major setback, the profit earned should be somewhere in the region of last year's figure. As a result of the reorganisation of the sources of production and because of the temporary closure of No. 4 Underground Colliery, it is hoped that the levels of production will be contained in an acceptable level and that industry in this country will continue to enjoy a level of prices for coal and coke which compare very favourably with prices elsewhere in the world.

Notice is hereby given that the 54th Annual General Meeting of Members of Wankie Colliery Company Limited will be held at the registered office, 70 Jameson Avenue Central, Salisbury on Monday, 12th December, 1977, at 10.00 a.m.

Copies of the annual report and accounts are obtainable from the London office of the Company, 40 Holborn Viaduct, EC1A 1AJ, and from the office of the UK Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 5EQ.

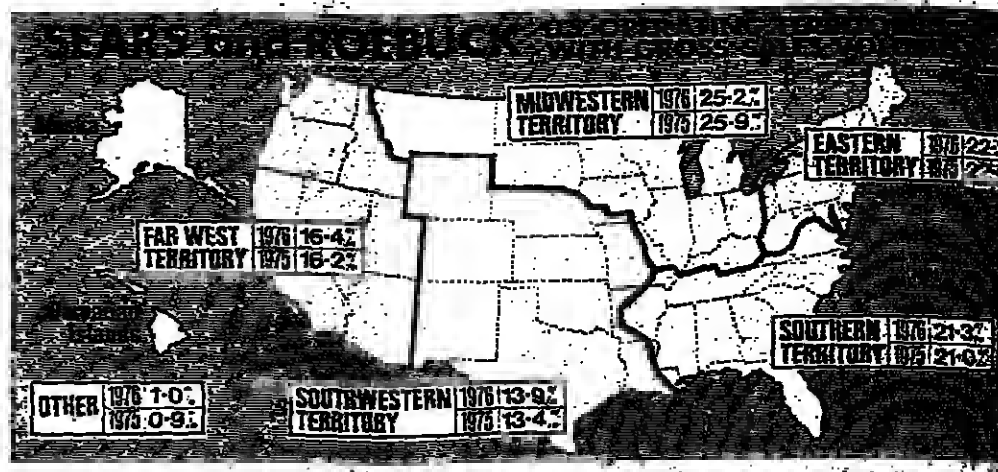


How America's biggest retailer is fighting to stay on top

BY GORDON WEIL

JUST A few years ago, it looked as though Sears, Roebuck and Company, the largest retailer in the United States, was in trouble. Chicago headquarters had little control over the highly decentralised organisation and the competition had begun to catch up. Sears, which had long prided itself on anti-cyclical trends, was the picture of corporate bewilderment.

The biggest challenger, then as now, was K mart, a chain of discount stores which had stepped in to corner a large part of the working-class market that had been the foundation of Sears' growth. With Sears faltering and K mart booming, the stage was set for a battle of the giant retailers.



Sears Roebuck started out in the mail order business in Illinois in 1886 and it wasn't long before the company grew to the extent that some said "you could find a Sears Roebuck catalogue in every privy in the mid-west". The mail-order business proved so successful that the company became incorporated in New York in 1908, and went on to open its first retail stores in 1925.

Today Sears is the world's largest retailer of general merchandise, employing about 417,000 people and distributing private brand name goods through some 3,500 outlets in the U.S., Puerto Rico, and Central America. The mail-order side, while no longer the main profit taking sector of the business, still plays an important part.

To a great extent, Sears' recent problems were of its own making. General Robert Wood, who had dominated the company for three decades until the late 1950s, had decreed that the company should be as decentralised as possible so that it could adjust to local competitive conditions. At the same time, he had vastly pushed it into an aggressive programme of retail expansion. After the Second World War, when competitors like Montgomery Ward had held on to their capital in the belief that a depression was inevitable, Sears had poured hundreds of millions of dollars into new retail stores.

Once you dominate the retail market as Sears did, it is difficult to come up with a new stimulus to growth. After some groping Sears initiated in the early 1970s a policy of "gradualism". It reasoned that its

customers were becoming more affluent and that, as a result, it ought to be offering them higher-priced and higher-quality goods.

In the process of "trading up", Sears gradually began to abandon the working-class, blue-collar people who had been its prime customers. K mart, a part of the Kresge Company, incorporated in New York in 1968, was able to undersell Sears for a number of reasons: it gave its local store managers discretion in stocking goods and pricing them. It made purchases from suppliers for the full national market. In addition, its stores had fewer frills than Sears' and it spent less on building good community relations and on testing its goods. With inflation continuing to mount, K mart stores became increasingly attractive to people who had to watch their family budgets.

Although it still had a sizeable lead over K mart and other retailers, Sears worried about an earnings graph that was disappointing in comparison with some of the others. In late 1974, Forbes magazine wrote: "After decades of dominance, Sears, Roebuck and Co. is now just one of the boys." It questioned where Sears could find its next "growth kicker".

The answer, to paraphrase a popular American comic character, was: "We have seen the future and it is us." In short, Sears had to try to regain its dominance among working-class customers.

Budget departments were opened in the big city retail stores, and beginning in 1972 the new, smaller out-lets were tried. They used check-out counters, like K mart's, and

saved on personnel costs. They stocked lower price items, but at the same time, the company did not abandon the notion of trading up to a broader range of family incomes.

While the idea seemed sound, the results did not show up in the monthly profit-and-loss statements as quickly as the Chicago executives wanted. Obviously, the decisions made there were not reaching into the field.

Mr. Arthur Wood, then chairman of Sears (no relation to the General), discovered that decentralisation was the culprit. Store managers could reject goods purchased nationally and could pursue their own pricing policies, making it impossible to advertise prices on national television. In addition, the company's system tended to encourage managers to over-stock on sale items to the detriment of basic goods.

In January 1976, Wood took the first step in the first-Sears reorganisation in over 30 years. An office of the chairman, grouping the company's top four executives, was created giving top management more direct operational control over the field. Later, store managers were stripped of much of their autonomy. They were told to think more about total sales than simply about their own profit picture. By selling a higher volume of lower priced goods, their profits would hold up.

The new formula worked. Last July, Sears showed the biggest single monthly increase in sales in 20 years. The picture in succeeding months has remained equally positive.

Profit growth has returned to a state of health that has not been seen since the early 1970s. K mart has not come out about half those of last year. Sears' gross profit margin claims to be a match that figure within its own profit margins have been growing so that it may be out prices in hopes of increasing volume.

Perhaps most significant, Sears is opening stores at a furious rate. With plans to have opened 100 by the end of the year, it expects to increase sales from its position into new markets.

Having been around for over 90 years, Sears is cautious about its own expansion. A large share of its 30 new stores it opens each year replaces older ones. There is any area where there is room for more outlets, it is the rural areas where it started out. And the company is still experimenting with smaller stores to model shopping centres.

Old-fashioned competition seems to be the order of the day in the retail trade. Mr. Edward Telling, who has just selected a new man, Mr. Edward Telling, says he is committed to retail expansion and consolidation. The Wood ret K mart, which has replaced such major firm Montgomery Ward and Penney, still has its eye on Sears. Meanwhile, whose sales represent more than 1 per cent of the GNP, seems to have regained the zest for trying to retake the castle.

A FINANCIAL TIMES SURVEY



To be published on January 23 1978

The Financial Times is preparing to publish a Survey on India. It will be kept and used as reference material by Government departments, industrialists and businessmen around the world.

The main headings of the proposed editorial synopsis are set out below. INTRODUCTION The restoration of democracy after 19 months of emergency rule: problems and priorities facing the Janata Government: the changing Indian scene.

- POLITICS ■ THE ECONOMY ■ FOREIGN POLICY ■ TRADE ■ FOREIGN INVESTMENT ■ BANKING ■ LABOUR ■ PLANNING
- INDUSTRIALISATION ■ AGRICULTURE ■ POWER and IRRIGATION
- OIL ■ STEEL ■ PETROCHEMICALS ■ FERTILISERS ■ TEXTILES ■ JUTE
- TEA ■ TOURISM ■ AVIATION ■ TRANSPORT ■ MARINE PRODUCTS

The proposed publication date is January 23. Copy date is December 12. For details of editorial synopsis and advertising rates please contact:

SIMON THOMAS, Overseas Advertisement Manager, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3BY. Telephone: 01-248 8000, Ext. 276. Telex: 885033, FINTIM G.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys published in the Financial Times are subject to change at the discretion of the Editor.

Discover the subtle yet distinctive taste of Glenfiddich Pure Malt.

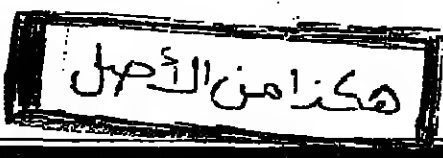
Glenfiddich is pure, unblended malt whisky.

Distilled in the ancient way—in hand-beaten copper pot stills—it has a smooth, mellow, yet subtly distinctive taste.

Enjoyed straight or with a little water, Glenfiddich is perhaps the greatest single malt of the Highlands.

Glenfiddich means "Water of the Deer".





HOME NEWS

ENNIS BY JOHN BARRETT

Two seeds fall in Benson's opening round

1980 Benson and Hedges set 6-2, Mottram was always struggling to hold his serve in the second set, and finally succumbed to a troubled Stewart to fall in the opening round of the match 6-4.

Little American double will be particularly upset if he is in seventh in the Colgate Grand Prix, and ja therefore in the eight places in the tournament in New York.

Plenty for winner

It is a measure of the fitness of this most important event in Britain outside Wimbledon that the winner of the prize will be rewarded for winning three qualifying matches to earn his place against Khabibov.



One of two 11,000-ton steel flotation tanks originally used to float oil rigs from construction yards in Scotland to a North Sea oil field being towed in Dalmore Pier, Alesund, in Highland, for dismantling.

Dunlop to promote safety tyre

DUNLOP IS to spend £250,000 between now and the end of the year on a relaunch of its Denovo run-flat safety tyres.

BOND DRAWINGS

Table with columns for bond numbers and values. Title: I.U. OVERSEAS FINANCE N.V. 9% Guaranteed Bonds due 1983. Includes a list of bond numbers and their corresponding values.

City Investing reports on third quarter 1977 results

City Investing Company's third quarter 1977 results reflected continued progress by all principal operations: manufacturing, international housing, and insurance.



Basic Business Needs Filling Basic Needs City Investing is the world's largest manufacturer of water heaters and steel shipping containers.

- Highlights
• City Investing's total revenues rose 25% to \$814.3 million.
• Net income increased 52% to \$23.0 million.
• City completed a \$100 million long-term financing.

Cash flow to the insurance investment portfolio continued very strong. Investment income from the portfolio increased 20%.

SUMMARY RESULTS Third Quarter Ended Sept. 30 1977 1976 Increase. Table with columns for Revenues, Net Income, Per Share, Primary, Per Share, Diluted.

Average primary shares were 22,125,000; 20,831,000; 21,925,000; and 20,643,000 for the quarter and nine months ended September 30, 1977 and 1976, respectively.

City Investing Company Manufacturing | Housing | Insurance

767 Fifth Avenue, New York, New York 10022

PUBLIC NOTICES, COMPANY NOTICE. Includes notices from Reading Borough Council, Gloucester County Council, and Aokam Tin Bernad.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

DUTCH NEWS

Philips feels impact of currency fluctuations

BY MICHAEL VAN OS

AMSTERDAM, Nov. 15.

PHILIPS, THE Dutch-based international electronics group, said today that its ability to meet its quarterly sales were up 4 per cent in the third quarter of 1977...

The Board added here today at a Press briefing on the publication of the third quarter results that whereas the volume of sales had risen 7 per cent in the first three quarters...

In the third quarter Philips' net profits amounted to Fls.140m., up 12 per cent on earnings in the same quarter of last year...

Further loss ahead at Akzo

BY OUR OWN CORRESPONDENT

AMSTERDAM, Nov. 15.

THE TROUBLED Dutch chemical group Akzo expects to end this year with another loss. The figure has yet to be specified. After its half year statement it had still "continuously forecast" that it would be breaking even for this year...

In the first quarter of this year, it was further announced today the company suffered a net loss of Fls. 37.5m., which is more than double the Fls. 24m. loss incurred in the same period of last year...

Akzo Board member Dr. H. J. Krulsinga said at a Press conference here today on the publication of the results that although the recessionary development was affecting all the group's industrial activities...

Spanish banking merger talks

By Robert Graham

MADRID, Nov. 15.

TWO OF SPAIN'S leading banks are involved in merger talks which would create the country's biggest group of commercial banking interests...

Banco Central is Spain's second largest commercial bank based on total assets and Banco Iberico the tenth...

Although talks have been going on for some time, Banco Central in particular is being cautious about the outcome...

According to the latest banking figures, up to the end of August, Banco Central has total deposits of Ptas.462,200m. and Banco Iberico Ptas.76,700m...

In addition to the formidable new banking interests there would be considerable industrial assets. Central is involved in the country's largest construction company, Dragados...

GERMAN COMPANIES

Shock for foreign holders of MAN

BY GUY HAWTIN

MASCHINENFABRIK Augsburg-Nuernberg (MAN) today reported that 1977's profits were up almost 10 per cent...

MAN's statement said that net profits had increased by 9.3 per cent from the previous business year's DM550m to DM670m...

The report points out that West German shareholders will be much better off despite the decline in dividend...

Until the new regulations came into force, West German shareholders' dividend income was subject to double taxation...

It said that the machinery diesel engine and heavy manufacturing concern had noticed a weakening in demand during the first four months...

Foreign shareholders, however, are most unlikely to have such a large share of the increase...

Despite protests from industry, no help has been forthcoming from the Federal Finance Ministry...

The new corporate tax reform, which was forecast by some observers to have stimulating effect on the country's business, appears to have done little to increase activity...

FRANKFURT, Nov. 15. In addition, the concern expects demand for its (seasonally adjusted) classic models will amount to 33,000 units against last year's 32,177...

Good demand at BMW. BAYERISCHE Motoren-Werke (BMW) is highly satisfied with demand this year, writes Guy Hawtin...

EUROBONDS

Debut for ECSC issue

BY FRANCIS GHILES

MARKEE ATTENTION was focused yesterday on the ECSC issue, which was facing a group of bankers led by Deutsche Bank...

Otherwise the market was slightly easier in thin trading, with U.K. convertibles falling back as a result of the fall in the FT index...

BONDTRADE INDEX

Table with columns: Bond Name, Yesterday, Monday. Includes Medium, Long, and Covertible bonds.

Optimism at Esselte

BY JOHN WALKER

PRE-TAX PROFIT of Esselte, the Swedish office equipment, packaging and printing concern, for the first half of the financial year ended September 30, has developed better than expected...

Massey-Ferguson sales disappoint. MASSEY-FERGUSON said for the quarter ended October were considerably below expectations...

SELECTED EURODOLLAR BOND PRICES

Table with columns: Bond Name, Bid, Offer. Includes Straights, Floating Rate Notes, and Convertibles.

Österreichische Kontrollbank Aktiengesellschaft

U.S. \$40,000,000 Guaranteed Floating Rate Notes 1 1/2% per annum. Conditions of the above-mentioned Notes that the Rate Interest (as thereo defined) for the interest period (as thereo defined) from 17th November, 1977 to 17th May, 1978 is at annual rate of 7 1/2 per cent...

Toshiba advertisement featuring a \$50,000,000 convertible debenture due 1992, listing various international financial institutions like Deutsche Bank, Union Bank of Switzerland, and Merrill Lynch.

ASSI Aktiefolaget advertisement for Statens Skogsindustrier, offering a \$30,000,000 seven-year floating rate loan, managed by HAMBROS BANK LIMITED and PKBANKEN.

Handwritten Arabic text at the bottom center of the page.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

PEAN MOTOR INDUSTRY

Ambitious spending plans

BY TERRY DOODSWORTH, MOTOR INDUSTRY CORRESPONDENT

PEAN motor industry... beyond the historic rate of inflation... heavy investment... a determination to maintain... the oil price rise... a handful of... major companies... Ford, General Motors... new spending plans... announced... 1978... 1981... 1982... 1983... 1984... 1985... 1986... 1987... 1988... 1989... 1990... 1991... 1992... 1993... 1994... 1995... 1996... 1997... 1998... 1999... 2000... 2001... 2002... 2003... 2004... 2005... 2006... 2007... 2008... 2009... 2010... 2011... 2012... 2013... 2014... 2015... 2016... 2017... 2018... 2019... 2020... 2021... 2022... 2023... 2024... 2025... 2026... 2027... 2028... 2029... 2030...

Nedbank reports liquidity build-up

By Richard Rolfe

JOHANNESBURG, Nov. 15. NEDBANK GROUP, the fourth largest South African bank... after Barclays National, Standard and Volkskas... has shown total assets up to R2900m. in the year to September 30... and reports that in view of the likelihood of some official stimulation of the economy during the current year, it has built up a high level of liquidity.

AUSTRALIAN NEWS

Takeover picture still very confused

BY JAMES FORTH

COMPLAINTS THAT minority shareholders were being disadvantaged... led to a takeover... of the Adelaide Steamship Co. Ltd. by NKS Holdings... The takeover picture is still very confused... with various offers and counter-offers... and a high level of uncertainty...

SYDNEY, Nov. 15.

Wohl bought another 20,000 shares today, taking its holding from 11.87 per cent. to 14.47 per cent. Wohl has also declared that it has no intention of making a takeover bid... but had declined a stock exchange request to name a target percentage of Lloyds' capital... In another situation, the shares of Michaelis Boyles remained suspended from trading after the directors of an unlisted private company, Myford Securities, refused to name the price paid to the Hong Kong group Hutchison International for a 23.5 per cent interest in the company... Michaelis has been approached by 25 other companies interested in making a total bid, and Myford said that it was therefore "quite inappropriate" for it, as a shareholder in Michaelis, to be asked to disclose its purchase price... Myford's intentions at this stage are undetermined and would depend at least to some extent on the actions of the Michaelis Board... Maintaining the suspension, the Melbourne Exchange said "concern has been expressed in certain quarters at the action of the Exchange in that it could be said to deprive other shareholders of a market, but the Exchange believes that it is in the best interests of other shareholders for the market to be informed of the price paid."

The expenditure plans so far announced for the next few years include the following: 1. Opel, the General Motors subsidiary in Germany, is spending DM3bn. (£1,235m.) in the 1977-82 period. 2. Ford of Germany will commit DM2.5bn. (£735m.) in the next five years. There will also be considerable expenditure in Spain and the UK, where Ford is building a £180m. engine plant. 3. Volkswagen is planning to spend DM4.9bn. (£1.3bn.) between now and 1981. 4. Renault is investing Frs2.1bn. (£2.4bn.) up to 1981 in its car and truck activities. 5. British Leyland's capital investment plan envisages the injection of £2bn. in indicated terms between 1975 and 1982. 6. Daimler-Benz is intending to spend DM3bn. (£1,235m.) in the 1976-80 period.

the new investment is likely to go into totally new capacity in the sense of green-field assembly plants... The big manufacturers are planning for a steady increase in the total European market—perhaps 4 per cent a year during the next ten years—and also the possibility that some of the unhealthier companies (Alfa Leyland, Chrysler, Saab and Volvo) may lose further investment projects... But they are not preparing for the kind of explosion which occurred in the 1960s... Second, most of the investment will be going into projects aimed at making the big companies more competitive in the key areas. The emphasis is on a continuing drive towards frequent model changes on the American pattern, and schemes to eradicate bottlenecks in the present factory facilities... On the engine front the industry is facing the two fundamentals—and to some extent contradictions—problems of improving fuel consumption and reducing noxious emissions... Engineers are already predicting that these demands will lead to a whole new generation of engines capable of performing at a much higher level of efficiency than their predecessors... Mr. Derek Whitaker, managing director of Leyland Cars, said recently, for example, that models with a 60 next decade.

The annual report shows group shareholders' funds of R170m. compared with deposits and current accounts of R2,060m. which suggests some considerable leeway in accepting new business, given the statutory ratio of 1:16 between shareholders' funds and deposits... It emerges from the report that the group's profit improved from R28.8m. to R33.3m. net was after absorbing an after tax loss of R4.9m. on the loan to Glen Anil, the failed township development, equivalent to 18.3m. gross. Other projects in progress which may be needed in future, but it appears that the latest should cover the bulk of any continuing losses... On the subject of the loans to Trifont Fertiliser, the phosphoric acid exporter which is incurring losses because of weak market conditions, Nedbank indicated today that arrangements with the management and shareholders of the company will regard to possible future trading losses as well as in connection with possible refinancing of foreign loans have been made.

The effect is that shareholders in Trifont, which include ICI's associate AECI, are already predicting that the company will be enough to keep the industry in its present shape and repel the threatened Japanese invasion are the big questions which will be answered in the next decade.

Elder Smith hopeful

ELDER SMITH Holsbrough

Mr. the major pastoral group, finance company, steel merchant and woolbroker, has made good progress in the first four months of the current year and expects a satisfactory result, the chairman, Sir Norman Young, told shareholders at the annual meeting in Adelaide today, writes James Forth... But Sir Norman outlined fluctuating fortunes and prospects for the various segments of Australia's rural industry. He said that the financial crisis in the cattle industry was "very real and very serious" of 49,000 cattle producers in the country, at least 30,000 were earning a positive, but not necessarily a satisfactory, income while even if prices were doubled, there would still be 8,000 unable to show a profit... The outlook for the wool and sheepgrower was satisfactory. After a somewhat uncertain start to the wool selling season, prices were now running marginally ahead of last year's closing values. After years of prosperity wheel growers faced a somewhat uncertain future. Production for the 1977-78 season was unlikely to reach 10m. tonnes compared with the 1976-77 yield of 11.825m. tonnes... The value of this last production would be more than \$2,200m. Sir Norman said there had been a noticeable tendency to take primary production in Australia for granted, but this could no longer be afforded. "We are no far too dependent to pay for our huge import bill and our large interest charge on overseas borrowings," he said... Rural production generated foreign exchange which amounted to 45 per cent of the value of total exports in each of the last two years... "Whatever the cost may be of ensuring the continuity of primary production, it is a cost that will inevitably have to be met out of the national purse. It is not a cost that should be regarded as a sectional interest subsidy; it is very much a cost that is involved in national economic survival," he added.

NAE pays \$559m. for Connaught Hotel

SINGAPORE, Nov. 15.

PEOPLES REALTY, a subsidiary of NAE, has purchased the Connaught Hotel in Singapore for \$559m. The hotel, which is scheduled for completion in September next, is the largest hotel in Singapore. The purchase price includes the completed building, interiors, furniture, fixtures and other equipment... Peoples Realty, which is a sister company of Singapore's largest hotel chain, the 310-room Century Park Sheraton, in Manila... Anae which was established in 1973 to develop and manage hotels, restaurants and related leisure facilities in Japan and overseas, presently has ownership and management interests in five hotels—four in Japan and the one in Manila... One of its main objectives currently is to establish hotels in South East Asia, and the Pacific areas... Reconstruction plans completed after Peoples Realty's purchase

The Tokai Bank Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit. Maturity date 17 November 1980. The Chase Manhattan Bank, N.A., London.

Nippon Kokan doubts TOKYO, Nov. 15. NIPPON KOKAN KAISHA said it predicts virtually unchanged sales of about ¥600bn. in the second half year ending next March 31... Nippon Kokan sales in the first half were ¥600.2bn., up 1.5 per cent from the same period last year... The company said it is unable to predict after-tax profit for the year in view of the recent yen appreciation and a deteriorating export outlook... It earlier reported a 17 per cent rise in after-tax profit for the company said.

U.S. \$60,000,000 Bank of Tokyo (Curaçao) Holding N.V. Guaranteed Floating Rate Notes Due 1984. The Bank of Tokyo, Ltd. (Kabushiki Kaisha Tokyo Ginko). Credit Suisse White Weld, Chase Manhattan, Daiwa Europe N.V., Deutsche Bank, The Development Bank of Singapore, Pierson, Halding & Pierson N.V., Singapore-Japan Merchant Bank, Singapore Nomura Merchant Banking, Société Générale, Swiss Bank Corporation (Overseas), The Bank of Tokyo (Holland) N.V.

DANSK EKSPORTFINANSIERINGSFOND (Danish Export Finance Corporation) DM 75,000,000 6% Bonds due 1982 - Private Placement - WESTDEUTSCHE LANDESBANK GIROZENTRALE. BANQUE NORDEUROPE S.A., COMMERZBANK Aktiengesellschaft, HAMBROS BANK Limited, KREDIETBANK S.A. LUXEMBOURGEOISE, PIERSON, HELDRING & PIERSON N.V., DEN DANSKE BANK af 1871 Aktieselskab, FÆLLESBANKEN FOR DANMARKS SPAREKASSER A/S.

Algemeene Bank Nederland N.V., Arab Investment Co. S.A.A., Banca Commerciale Italiana, Bank Julius Baer International, The Bank of Tokyo (Luxembourg) S.A., Banque Européenne de Tokyo S.A., Banque Générale du Luxembourg S.A., Banque de Neufbré, Schlumberger, Maffei, Banque Worms, Bayerische Landesbank Girozentrale, Blyth Eastman Dillon & Co., Christiana Bank og Kreditkasse, Continental Illinois, Creditanstalt-Bankverein, Credit Italiano (Underwriters) S.A., DRS-Dava Securities International, H.C. Bank Deutsche Genossenschaftsbank, Hfektbank Warburg, First Chicago, Genossenschaftliche Zentralbank A.G., Goldman Sachs International Corp., Hambros Bank, Interunion Banque, Kjøbenhavn Handelsbank, Larard Brothers & Co., London & Continental Bank, Merrill Lynch International Bank, Morgan Stanley International, Nesbitt, Thomson, The Nippon Kangyo Kakumaru Securities Co. Ltd., Oskaya Securities Co. Ltd., Oversea-Chinese Banking Corporation, Salomon Brothers International, Schroder & Chartered, Société Bancaire Barings (Suisse) S.A., Strauss, Turndorf & Co., Takagin International (Asia), Union de Banques Arabes et Françaises - U.B.A.F., Wako Securities Company, Westdeutsche Landesbank Girozentrale, A. E. Ames & Co., Banca Nazionale del Lavoro, Bank of East Asia, Bank of Tokyo (Switzerland) Ltd., Banque Française du Commerce Extérieur, Banque de l'Inde Chine et de Suez, Banque de Paris et des Pays-Bas, Baring Brothers & Co., Bayerische Vereinsbank, Caisse des Dépôts et Consignations, Citicorp International Bank, Citicredit Commercial de France, Credit Italiano (Underwriters) S.A., Dreyfus Bank, Dillman, Read Overseas Corporation, Euroimobiliare S.p.A., Compagnia Europea Immobiliare, First Chicago Asia Merchant Bank, Genossenschaftliche Zentralbank A.G., Güttabanken, Greenfields, Gruppo dei Banquiers Privés Genevois, Hesseische Landesbank - Girozentrale, Jardine Fleming & Company, Kleinwort, Benson, Kreditbank N.V., Lehman Brothers International, Lloyds Bank International, London Multinational Bank (Underwriters), Mitsubishi Bank (Europe) S.A., Samuel Montagu & Co., MTBC & Schroder Bank S.A., National Westminster Bank, The Nikko (Luxembourg) S.A., Nordeutsche Landesbank Girozentrale, Oskaya Securities Co., Origin Bank, PNBank International (Luxembourg) S.A., Privatanbanken, Sanwa Bank (Underwriters), Sanwa Securities Co. Ltd., Scandinavian Bank, Singapore International Merchant Bank, Skandinaviska Enskilda Banken, Société Générale de Banque S.A., Société Séquanaise de Banque, Sun Hing Kai International, Svenska Handelsbanken, Taiyoh Finance Hongkong Ltd., Tokai Kyowa Morgan Grenfell, Tokyo Finance (Asia), Trade Development Bank, United Overseas Bank Ltd., Singapore, U.B.A.F., Yamakichi International (Netherlands) N.V., Yamatane Securities Co. Ltd., Amex Bank, Amsterdam-Rotterdam Bank N.V., Bank of America International, Bank Leu International Ltd., Bankers Trust International, Banque Bruxelles Lambert S.A., Banque Française de Dépôts et de Tires, Banque Internationale à Luxembourg S.A., Banque Nationale de Paris, Banque Privée S.A., Bayerische Hypothek- und Wechselbank, Berliner Handels- und Bankverein, Central Rabobank, Citicredit Commercial de France, Compagnie Monégasque de Banque, Crédit Industriel et Commercial, Dai-ichi Kangyo Bank Nederland N.V., Dai-ichi Securities Co. Ltd., Deutsche Girozentrale - Deutshe Kommunalbank, Dresdner Bank, Hrvatski Bankar, ICB International, First Boston (Europe), Fuji International Finance, Girozentrale und Bank der Österreichischen Sparkassen, Hill Samuel & Co., IBI International, Kansai-Osaka-Paniki, Kijder, Peabody International, Kuhn, Loeb & Co. Asia, Kredietbank S.A. Luxembourggoise, Loeb Rhoades International, Manufacturers Hanover, McLeod, Young, Weir International, Morgan Guaranty & Partners, Nippon European Bank S.A., Norddeutsche Landesbank Girozentrale, Nurdik Bank, Oesterreichische Landesbank, Österreichische Sparkassen, Rothchild Bank AG, J. Henry Schroder Wagg & Co., Smith Barney, Harris Upham & Co., Sparbanken, Warburg Paribas Becker Int., Wardsley Ltd., Wood Glyn, Yamatane Securities Co. Ltd.

Midway 2.7 gain after easier start Gold falls

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 15

AFTER INITIALLY easing further on fresh profit-taking, stocks on the Street turned higher this morning in active trading on a resumption of last week's buying. The Dow Jones Industrial Average, after being 3 points lower at 11 a.m., recorded a net improvement of 2.08 at \$1,041.41 at 1 p.m. while the NYSE All Com. Closing prices and market reports were not available for this edition.

American Telephone, \$1 harder at 59 1/2. However, Sambo's Restaurants, also heavily traded, fell \$1 1/2 more to \$19 1/2, still depressed by a lower earnings estimate for the year. Miller-Wohl declined \$1 in \$3 1/2 despite a stock split, record earnings and approved terms for a proposed merger. Kennecott Copper were down \$1 1/2 at \$20 1/2 and Carborundum cases \$1 to \$45 1/2—the terms companies have approved terms for a proposed merger.

THE AMERICAN SE Market Value Index registered a rise of 0.37 at 115.39 at the 1 p.m. calculation. Volume 1.62m. shares. Houston Oil and Minerals were active, rising \$1 1/2 to \$33 1/2.

GERMANY—Shares tended to resume their recent buoyancy after an easier start, with trading ending at a new high for the year. The market's strength was attributed to heavy institutional purchases and especially renewed buying in some issues which have recently shown an easier disposition. Stores advanced by up to DM3.50, as in Karstadt, Lufthansa Preference rose DM4.70. Motors were little changed, except for BMW, up DM5 after the latest interim report.

SWITZERLAND—Further modest losses occurred in restricted trading, influenced by the overnight Wall Street reaction. Swiss Bear declined 2 1/2 to Fr.5.15 in Transports, while Financials had Oerlikon-Buechi, following profit-taking, Fr.5.40 down at Fr.5.43. Nestle Bear shot Fr.20 to Fr.3.30 in Industrials.

OSLO—Mainly steady. SPAIN—Market continued to decline, leaving the Madrid index 1.09 lower at 99.48. Banco Bilbao, 291, and Banco General, 233, receded 9 points apiece, while

Gold fell \$4 to \$161.61 in a very anxious trading in the London bullion market yesterday. Profiting taking after the recent rise tended to gather pace, while the relative stability of the dollar, and improved prospects for peace in the Middle East, may have been contributing factors. Sterling closed unchanged at \$1.53-1.5165 for the second day running in the foreign exchange market after a rather one-way day. The pound opened at \$1.5150-\$1.5160, and quickly touched a high point of \$1.5190-\$1.5185, it then remained at around \$1.5180-\$1.5190 for the rest of the day. Sterlings' trade-weighted index against a basket of currencies, as calculated by the Bank of England, was unchanged throughout at 85.7.

The U.S. dollar's trade-weighted depreciation, as calculated by Morgan Guaranty of New York, was also unchanged at 2.02 per cent. The dollar was slightly firmer against the Japanese yen, finishing at ¥245.20, compared with ¥244.85 previously, and also improved a little in terms of the West German D-mark, closing at DM2.2470 compared with DM2.2460 on Monday. The Dutch guilder finished at Fl.2.4271 against the dollar, compared with Fl.2.4240, but the French franc was slightly firmer at Fr.5.456, compared with Fr.5.453, compared with the pressure was slightly reduced on the weaker members of the European currency "snake" with the Belgian franc and Danish

OTHER MARKETS

Canada lower

A further widespread reaction took place on Canadian Stock Markets in fairly active early trading yesterday. The Toronto Composite Index was 2 1/2 lower at 506.3 at noon, while Gold, on a further fall in Bullion prices, retreated 25.5 more to 1.188 1/2. Banks shed 0.39 to 234.71, but Pampers edged up 0.35 to 91.34. Massey-Ferguson, the most active industrial, lost \$1 1/2 in \$1 1/2 on an unimpressive earnings forecast from the company. Falconbridge Nickel "A" shed \$1 in \$1 1/2 and East Malarine Mines

AMSTERDAM

—Prices declined across the board in quiet trading, although a late rally erased some of the losses. Dutch Internationals provided a firm exception in Philips, which gained Fl.30 on a higher-than-expected third-quarter profit. Akzo, however, shed Fl.9.20 ahead of its third-quarter results, which showed an increased loss. Unilever Royal Dutch were each around Fl.100. COPENHAGEN—The market was mixed with a lower bias in a fair business.

FOREIGN EXCHANGES

Gold station in London... Foreign exchange market... Sterling closed unchanged at \$1.53-1.5165 for the second day running in the foreign exchange market after a rather one-way day. The pound opened at \$1.5150-\$1.5160, and quickly touched a high point of \$1.5190-\$1.5185, it then remained at around \$1.5180-\$1.5190 for the rest of the day. Sterlings' trade-weighted index against a basket of currencies, as calculated by the Bank of England, was unchanged throughout at 85.7.

CURRENCY RATES

Country	Rate
London	100 = 8.46
Paris	100 = 16.48
Geneva	100 = 20.48
Frankfurt	100 = 23.36
Brussels	100 = 33.36
Amsterdam	100 = 36.36
Stockholm	100 = 46.36
Copenhagen	100 = 46.36
Oslo	100 = 46.36
Madrid	100 = 166.36
Buenos Aires	100 = 166.36
Sao Paulo	100 = 166.36
Manila	100 = 166.36
Bombay	100 = 166.36
Calcutta	100 = 166.36
Rangoon	100 = 166.36
Singapore	100 = 166.36
London (Gold)	100 = 166.36
London (Silver)	100 = 166.36
London (Dollars)	100 = 166.36
London (Pounds)	100 = 166.36
London (Swiss)	100 = 166.36
London (Dutch)	100 = 166.36
London (Belgian)	100 = 166.36
London (Danish)	100 = 166.36
London (Austrian)	100 = 166.36
London (Italian)	100 = 166.36
London (Japanese)	100 = 166.36
London (Australian)	100 = 166.36
London (New Zealand)	100 = 166.36
London (South African)	100 = 166.36
London (Argentine)	100 = 166.36
London (Brazilian)	100 = 166.36
London (Mexican)	100 = 166.36
London (Chilean)	100 = 166.36
London (Peruvian)	100 = 166.36
London (Colombian)	100 = 166.36
London (Venezuelan)	100 = 166.36
London (Cuban)	100 = 166.36
London (Ecuadorian)	100 = 166.36
London (Bolivian)	100 = 166.36
London (Paraguayan)	100 = 166.36
London (Uruguayan)	100 = 166.36
London (Chilean)	100 = 166.36
London (Peruvian)	100 = 166.36
London (Colombian)	100 = 166.36
London (Venezuelan)	100 = 166.36
London (Cuban)	100 = 166.36
London (Ecuadorian)	100 = 166.36
London (Bolivian)	100 = 166.36
London (Paraguayan)	100 = 166.36
London (Uruguayan)	100 = 166.36

EXCHANGE CROSS RATES

City	Rate
London	100 = 8.46
Paris	100 = 16.48
Geneva	100 = 20.48
Frankfurt	100 = 23.36
Brussels	100 = 33.36
Amsterdam	100 = 36.36
Stockholm	100 = 46.36
Copenhagen	100 = 46.36
Oslo	100 = 46.36
Madrid	100 = 166.36
Buenos Aires	100 = 166.36
Sao Paulo	100 = 166.36
Manila	100 = 166.36
Bombay	100 = 166.36
Calcutta	100 = 166.36
Rangoon	100 = 166.36
Singapore	100 = 166.36
London (Gold)	100 = 166.36
London (Silver)	100 = 166.36
London (Dollars)	100 = 166.36
London (Pounds)	100 = 166.36
London (Swiss)	100 = 166.36
London (Dutch)	100 = 166.36
London (Belgian)	100 = 166.36
London (Danish)	100 = 166.36
London (Austrian)	100 = 166.36
London (Italian)	100 = 166.36
London (Japanese)	100 = 166.36
London (Australian)	100 = 166.36
London (New Zealand)	100 = 166.36
London (South African)	100 = 166.36
London (Argentine)	100 = 166.36
London (Brazilian)	100 = 166.36
London (Mexican)	100 = 166.36
London (Chilean)	100 = 166.36
London (Peruvian)	100 = 166.36
London (Colombian)	100 = 166.36
London (Venezuelan)	100 = 166.36
London (Cuban)	100 = 166.36
London (Ecuadorian)	100 = 166.36
London (Bolivian)	100 = 166.36
London (Paraguayan)	100 = 166.36
London (Uruguayan)	100 = 166.36

EURO-CURRENCY INTEREST RATES

Term	Rate
3 months	6.75%
6 months	6.75%
9 months	6.75%
12 months	6.75%
18 months	6.75%
24 months	6.75%
36 months	6.75%
48 months	6.75%
60 months	6.75%
72 months	6.75%
84 months	6.75%
96 months	6.75%
108 months	6.75%
120 months	6.75%

FORWARD RATES

Term	Rate
1 month	1.53
3 months	1.53
6 months	1.53
9 months	1.53
12 months	1.53
18 months	1.53
24 months	1.53
36 months	1.53
48 months	1.53
60 months	1.53
72 months	1.53
84 months	1.53
96 months	1.53
108 months	1.53
120 months	1.53

OTHER MARKETS

Argentina... Brazil... Chile... Colombia... Costa Rica... Cuba... Ecuador... El Salvador... Guatemala... Honduras... India... Indonesia... Italy... Japan... Korea... Luxembourg... Malaysia... Mexico... Netherlands... New Zealand... Norway... Panama... Paraguay... Peru... Philippines... Portugal... Puerto Rico... Saudi Arabia... Singapore... South Africa... Spain... Sweden... Switzerland... Taiwan... Thailand... Turkey... Uruguay... Venezuela... West Indies... Yugoslavia... Zaire... Zimbabwe...

Indices

NEW YORK - DOW JONES

Index	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7
Dow Jones	1041.41	1039.33	1037.25	1035.17	1033.09	1031.01	1028.93	1026.85	1024.77
NYSE All Com.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Am. Ind. 400	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Ind. Div. 400	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Pub. Util.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Transp.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Chem.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Elect.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Food	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Text.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Metals	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Pharm.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Auto	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Tele.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Energy	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Health	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Media	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Real Estate	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Technology	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Telecom	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Transportation	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Utilities	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Financial	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Government	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
International	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Commodities	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Energy	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Metals	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Grains	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Oil	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Stocks	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Bonds	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Options	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Derivatives	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Commodities	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Energy	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Metals	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Grains	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Oil	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39

MONDAY'S ACTIVE STOCKS

Stock	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7
Am. Ind. 400	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Ind. Div. 400	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Pub. Util.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Transp.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Chem.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Elect.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Food	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Text.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Metals	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Pharm.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Auto	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Tele.	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Energy	115.39	115.14	114.89	114.64	114.39	114.14	113.89	113.64	113.39
Health	115.39								

ARMING AND RAW MATERIALS

Kin plea Ireland fish unity

COMMUNITIES Staff
IN SILKIN, the Agricultural Minister, has issued a plea for co-operation between Britain and Ireland on EEC fisheries.

Mr. Brian Keogh, Fisheries Minister, said: "I understand that a conference will be held in London on the 17th and 18th of November. It will be a conference of the Irish and British fishing ministers and their officials. It is a splendid opportunity to demonstrate our unity in presenting our joint case to the Commission."

Mr. Keogh said that the Irish and British fishing ministers will be addressing the Commission on the 17th and 18th of November. He said that the Irish and British fishing ministers will be addressing the Commission on the 17th and 18th of November.

First signs of extra Soviet grain buying

BY OUR COMMODITIES STAFF
FIRST SIGNS of increased Soviet purchases of grain this year have started to show in the figures released by the U.S. Department of Agriculture.

It was revealed in Washington yesterday that just over 600,000 tonnes of corn (maize) originally listed as held for an unknown destination, will now all be going to the USSR.

The department has also announced new sales of 190,000 tonnes of wheat to the Soviet Union.

The information, coupled with the trade's belief that the USSR has bought enough grain to cover its surplus 1978 tonne grain harvest, suggests that the year may well influence the Soviet Union's grain agreement with the U.S. without consultations.

But as of November 6, reported Soviet purchases from the U.S. were only 2.3m. tonnes.

Total Soviet grain import requirements are expected to be 20-25m. tonnes.

Reuters reports that Boris Ruzh, the Soviet deputy Agriculture Minister, evaded questions about his grain-buying intentions at a conference in Washington yesterday.

Other heavy buyers of U.S. grain this season will include East Germany. Department officials just back from there said East German imports of

Calazans admits coffee sales

By Richard Monney
DR. CAMILLO Calazans, president of the Brazilian Coffee Institute, said yesterday that Brazil had sold "a fair amount of coffee" since the beginning of October.

Dr. Calazans, who is attending a meeting of coffee producing countries in London, said the coffee was sold at prices well above world market levels. But he made no reference to the \$3.20 a pound level which has been insisting has been maintained as the minimum Brazilian export price.

Announcements in the market recently have suggested that Brazilian coffee has been offered with discounts which have brought the price down to \$2 a pound or lower.

Even that level is well above world prices so yesterday's statement has done little to discourage traders of the truth of these rumours.

Brazilian exports during the first 10 months of this year totalled about 9m. bags (60 kilos each), Dr. Calazans said, and the country's 12m. bags export target for the year is unlikely to be met.

The London talks are ostensibly to discuss present and future world coffee stocks and availability. But traders generally believe its main purpose is to serve as a platform for the advertisement of the price support pact between Brazil and Colombia, which was signed last week.

In New York, Gordon Paton said green coffee roasted in the U.S. this year up to November 5 (including that produced for soluble production) fell 2.4 per cent to 11,615,000 bags from 12,115,000 bags in the same time last year, reports Reuters.

The report also showed the average rate in the week ended November 5 was 84.25 per cent of the rate reported during the similar week last year.

TIMBER MARKET Softwood prospect marginally better

BY A CORRESPONDENT
THE U.K. SOFTWOOD trade is forecasting slightly better conditions for next year but so improvement is expected to be concentrated in the second half.

The South East is seldom typical of the country as a whole. However, a recent poll by a London evening paper among private developers in the region confirmed that all were planning to raise their building rate next year and imports are expected to rise by about 6 per cent in 1978.

Forecasts made at last year's conference for this year are proving accurate; it is expected that apparent consumption of softwood will be 6.25m. cubic metres against a forecast of 6.1m. cubic metres.

Imports are expected to be up slightly on the forecast of 6.12m. cubic metres. It will result in a year-end stock slightly higher than last year's, but which will be considered reasonable in normal trading conditions.

In forecasting the small improvement for next year the trade is hoping that housing starts will rise in the second half of next year. There are indications in September's figures that the worst is now behind.

With mortgage money freely available developers in the private sector can be expected to start to improve at the end of this winter provided the stock of unsold houses continues to fall.

An unknown factor is the effect which the Government's proposed help for first time buyers will have on the market. In the short term it may lead to a postponement of plans to purchase until the details are known, and again if the amount

of aid available to individual couples is geared to their savings this too could lead to postponing house purchase until savings had been built up to qualify for aid.

The South East is seldom typical of the country as a whole. However, a recent poll by a London evening paper among private developers in the region confirmed that all were planning to raise their building rate next year and imports are expected to rise by about 6 per cent in 1978.

Forecasts made at last year's conference for this year are proving accurate; it is expected that apparent consumption of softwood will be 6.25m. cubic metres against a forecast of 6.1m. cubic metres.

Imports are expected to be up slightly on the forecast of 6.12m. cubic metres. It will result in a year-end stock slightly higher than last year's, but which will be considered reasonable in normal trading conditions.

In forecasting the small improvement for next year the trade is hoping that housing starts will rise in the second half of next year. There are indications in September's figures that the worst is now behind.

With mortgage money freely available developers in the private sector can be expected to start to improve at the end of this winter provided the stock of unsold houses continues to fall.

An unknown factor is the effect which the Government's proposed help for first time buyers will have on the market. In the short term it may lead to a postponement of plans to purchase until the details are known, and again if the amount

ops may sick le

SYDNEY, Nov. 15. STRALIAN Government troops by helicopter to cattle affected by a disease of bluetongue in the livestock industry, a report said here.

The report said that the disease is a debilitating one affecting cattle and is spread by biting insects, although cattle can be vaccinated against it.

The disease has been reported in the Northern Territory, and has also been reported in the Western Territory.

The report said that the disease is a debilitating one affecting cattle and is spread by biting insects, although cattle can be vaccinated against it.

NZ shippers want lamb price rise

BY CHRISTOPHER PARKES
NEW ZEALAND will ship at least 200,000 tonnes of lamb to Britain in the New Year—the same as this year. But exporters say they want a price increase of around 15 per cent.

The New Zealand Meat Producers' Board, said in London yesterday. "Increased production of lamb in New Zealand has led to a fall in prices in the U.K. market. We are now seeking a price increase of 15 per cent to cover the cost of increased production and to maintain the value of the pound."

The board said that the price of lamb in the U.K. market has fallen from 48p to 45p a pound. It said that the price of lamb in the U.K. market has fallen from 48p to 45p a pound.

World cotton crop 'will be 64.8m. bales'

WASHINGTON, Nov. 15. WORLD COTTON production for 1977-78 is estimated at a record 64.8 million bales, up from 62.8m. in 1976-77.

The U.S. Agriculture Department said the sluggish world economy is expected to keep 1977-78 consumption at an estimated 61.8m. bales.

The report also expected to increase 2.2 per cent to 62.8m. bales in 1978-79, up from 61.7m. bales in 1977-78.

Hong Kong sugar 'encouraging start'

BY OUR COMMODITIES EDITOR
THE HONG KONG raw sugar futures market got off to what was described as a "very encouraging start" yesterday.

Turnover on the first day's trading was 297 lots of 50 long tons each.

Prices, which are quoted in U.S. cents per pound, closed roughly in line with the London market. The London market was raised by 2 to 2.50 a tonne, 9.50 cents a pound, to 8.97 to 9 cents.

Trading hours of the Hong Kong sugar market are between 7.30 to 11.30 a.m. Greenwich mean time so as to overlap with the opening of the London market and to fill the gap after the closure of New York.

In London world sugar values rose sharply in early trading on the first day of the market. The London market for raw sugar was raised by 2 to 2.50 a tonne, 9.50 cents a pound, to 8.97 to 9 cents.

Gold fall hits metals

BY OUR COMMODITIES STAFF
SILVER VALUES were marked down yesterday following the sharp fall in gold prices.

The London metal market was hit by a sharp fall in gold prices. The price of gold fell from \$370 to \$360 an ounce.

The price of silver fell from \$18 to \$17 an ounce. The price of copper fell from \$1.80 to \$1.75 a pound.

The price of zinc fell from \$1.20 to \$1.15 a pound. The price of lead fell from \$1.10 to \$1.05 a pound.

COMMODITY MARKET REPORTS AND PRICES

METALS

Amalgamated Metal Trades reported that in the morning cash metals traded as follows: three months 1969, 31.50; six months 1969, 31.50; three months 1970, 31.50; six months 1970, 31.50.

Gold 161.164

Commodity	Unit	Price
Gold	100 gms	161.164
Silver	100 gms	17.50
Copper	100 lbs	1.75
Zinc	100 lbs	1.15
Lead	100 lbs	1.05

COFFEE

Arabica coffee prices in London: 1977-78, 115.00; 1978-79, 115.00.

SOYABEAN MEAL

Market closed on 22nd Nov. Soyabean meal prices in London: 1977-78, 115.00; 1978-79, 115.00.

SUGAR

London Daily Price—Raw sugar 1977-78, 115.00; 1978-79, 115.00.

PRICE CHANGES

Commodity	Unit	Price
Wheat	100 lbs	1.15
Rice	100 lbs	1.15
Beans	100 lbs	1.15
Peas	100 lbs	1.15

Would you like his to be our memorial?

Most of us reasonably want to leave no tangible evidence of our life's achievements and concern for others. Help the Aged welcomes an enduring occasion between donors and the work you have helped. So if you are concerning your will, and would like your will for others to continue in your name, we will be glad to send you, or your personal advisers, details of the several ways in which this is possible.

The number of old people is growing and their problems of loneliness, lack of warmth and suitable medical facilities. You can help a Day Centre and retain continuing association with it on its litation Plaque with a gift of £150; or late a house while remaining in it for your lifetime.

You can name a whole scheme for £100 upwards. Gifts or bequests to charity are now free of tax up to £100,000. It is possible for some estates to use the impact of Capital Transfer Tax with a bequest. We shall be glad to give details without obligation.

If you are considering a legacy, write phone for the interesting and helpful leaflets on the making of wills and using the impact of Capital Transfer Tax. Free on request, together with the usual Report and Accounts from The 1. Treasurer, The Rt. Hon. Lord Bray-King, Help the Aged, Room 11, 32 Dover Street, London W1A 2AP. Telephone: (01) 499 0972.

RUBBER

Latex prices in London: 1977-78, 115.00; 1978-79, 115.00.

GRAINS

Wheat prices in London: 1977-78, 115.00; 1978-79, 115.00.

WOOL FUTURES

Wool prices in London: 1977-78, 115.00; 1978-79, 115.00.

MEAT/VEGETABLES

Meat prices in London: 1977-78, 115.00; 1978-79, 115.00.

FINANCIAL TIMES

Month	Nov. 14	Nov. 15	Nov. 16
258.54	257.04	254.58	246.71

REUTERS

Month	Nov. 14	Nov. 15	Nov. 16
1475.2	1465.7	1485.7	1468.7

DOW JONES

Month	Nov. 14	Nov. 15	Nov. 16
1710.0	1700.0	1710.0	1710.0

U.S. Markets

Soybeans sugar and cocoa rally

NEW YORK, Nov. 14. SOYBEAN METALS dropped sharply on the news that the U.S. government had stopped loss sales. Copper eased in dull trading. Soybeans rallied on speculative buying on rumors of a possible U.S. sugar firm on a contract to buy sugar from the Dominican Republic and Australia, brought a sharp downturn in prices.

Cocoa prices were also affected by the news. Cocoa prices fell from \$1.80 to \$1.75 a pound.

Soybean prices rose from \$1.15 to \$1.20 a bushel.

Sugar prices rose from 8.50 to 8.75 cents a pound.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of authorised unit trusts including categories like Overseas Fund Managers, Perpetual Unit Trusts, and various international funds with their respective assets and performance metrics.

Table of offshore and overseas funds, including companies like Fidelity, KEMP-SEC, and various international investment vehicles with detailed financial data.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including interest rates for different terms and currencies.

MINISTER FUND MANAGERS LTD

Table detailing the services and offerings of Minister Fund Managers Ltd, including various fund management solutions.

INSURANCE, PROPERTY, BONDS

Large table listing insurance, property, and bond products from various providers, including details on policy types, coverage, and contact information.

CORAL INDEX: Close 487.43

CLAVE INVESTMENTS LIMITED
Exchange Ave, London EC3V 3LU. Tel. 01-283 1101
Guided as at 8th November 1977 (Base 100 at 14.1.77)

INSURANCE BASE RATES

Table showing insurance base rates for various types of insurance, including fire, theft, and marine coverage.

BUILDING SOCIETY RATES

Saturday the Financial Times publishes the giving details of Building Society Rates on offer to the public. For further details please ring 01-248 8000 Ext. 266

NOTES

Notes section providing additional information and commentary on the financial markets and the featured products.

Brown Shipley
The right size for your merchant bank
London City & Westminster
100 Broad Street, London EC2

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Div. %	Yield
100	99	Transport 400	4.00	4.00
101	100	Transport 500	4.00	4.00
102	101	Transport 600	4.00	4.00
103	102	Transport 700	4.00	4.00
104	103	Transport 800	4.00	4.00
105	104	Transport 900	4.00	4.00
106	105	Transport 1000	4.00	4.00
107	106	Transport 1100	4.00	4.00
108	107	Transport 1200	4.00	4.00
109	108	Transport 1300	4.00	4.00
110	109	Transport 1400	4.00	4.00

Five to Fifteen Years

High	Low	Stock	Div. %	Yield
111	110	Transport 1500	4.00	4.00
112	111	Transport 1600	4.00	4.00
113	112	Transport 1700	4.00	4.00
114	113	Transport 1800	4.00	4.00
115	114	Transport 1900	4.00	4.00
116	115	Transport 2000	4.00	4.00
117	116	Transport 2100	4.00	4.00
118	117	Transport 2200	4.00	4.00
119	118	Transport 2300	4.00	4.00
120	119	Transport 2400	4.00	4.00

Over Fifteen Years

High	Low	Stock	Div. %	Yield
121	120	Transport 2500	4.00	4.00
122	121	Transport 2600	4.00	4.00
123	122	Transport 2700	4.00	4.00
124	123	Transport 2800	4.00	4.00
125	124	Transport 2900	4.00	4.00
126	125	Transport 3000	4.00	4.00
127	126	Transport 3100	4.00	4.00
128	127	Transport 3200	4.00	4.00
129	128	Transport 3300	4.00	4.00
130	129	Transport 3400	4.00	4.00

Updated

High	Low	Stock	Div. %	Yield
131	130	Transport 3500	4.00	4.00
132	131	Transport 3600	4.00	4.00
133	132	Transport 3700	4.00	4.00
134	133	Transport 3800	4.00	4.00
135	134	Transport 3900	4.00	4.00
136	135	Transport 4000	4.00	4.00
137	136	Transport 4100	4.00	4.00
138	137	Transport 4200	4.00	4.00
139	138	Transport 4300	4.00	4.00
140	139	Transport 4400	4.00	4.00

**INTERNATIONAL BANK

804 1/2; Ppc Stock 77-82

**CORPORATION LOANS

High	Low	Stock	Div. %	Yield
141	140	Transport 4500	4.00	4.00
142	141	Transport 4600	4.00	4.00
143	142	Transport 4700	4.00	4.00
144	143	Transport 4800	4.00	4.00
145	144	Transport 4900	4.00	4.00
146	145	Transport 5000	4.00	4.00
147	146	Transport 5100	4.00	4.00
148	147	Transport 5200	4.00	4.00
149	148	Transport 5300	4.00	4.00
150	149	Transport 5400	4.00	4.00

COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Div. %	Yield
151	150	Transport 5500	4.00	4.00
152	151	Transport 5600	4.00	4.00
153	152	Transport 5700	4.00	4.00
154	153	Transport 5800	4.00	4.00
155	154	Transport 5900	4.00	4.00
156	155	Transport 6000	4.00	4.00
157	156	Transport 6100	4.00	4.00
158	157	Transport 6200	4.00	4.00
159	158	Transport 6300	4.00	4.00
160	159	Transport 6400	4.00	4.00

LOANS (Miscel.)

High	Low	Stock	Div. %	Yield
161	160	Transport 6500	4.00	4.00
162	161	Transport 6600	4.00	4.00
163	162	Transport 6700	4.00	4.00
164	163	Transport 6800	4.00	4.00
165	164	Transport 6900	4.00	4.00
166	165	Transport 7000	4.00	4.00
167	166	Transport 7100	4.00	4.00
168	167	Transport 7200	4.00	4.00
169	168	Transport 7300	4.00	4.00
170	169	Transport 7400	4.00	4.00

FOREIGN BONDS & RAILS

High	Low	Stock	Div. %	Yield
171	170	Transport 7500	4.00	4.00
172	171	Transport 7600	4.00	4.00
173	172	Transport 7700	4.00	4.00
174	173	Transport 7800	4.00	4.00
175	174	Transport 7900	4.00	4.00
176	175	Transport 8000	4.00	4.00
177	176	Transport 8100	4.00	4.00
178	177	Transport 8200	4.00	4.00
179	178	Transport 8300	4.00	4.00
180	179	Transport 8400	4.00	4.00

AMERICANS

High	Low	Stock	Div. %	Yield
181	180	Transport 8500	4.00	4.00
182	181	Transport 8600	4.00	4.00
183	182	Transport 8700	4.00	4.00
184	183	Transport 8800	4.00	4.00
185	184	Transport 8900	4.00	4.00
186	185	Transport 9000	4.00	4.00
187	186	Transport 9100	4.00	4.00
188	187	Transport 9200	4.00	4.00
189	188	Transport 9300	4.00	4.00
190	189	Transport 9400	4.00	4.00

AMERICANS—Continued

High	Low	Stock	Div. %	Yield
191	190	Transport 9500	4.00	4.00
192	191	Transport 9600	4.00	4.00
193	192	Transport 9700	4.00	4.00
194	193	Transport 9800	4.00	4.00
195	194	Transport 9900	4.00	4.00
196	195	Transport 10000	4.00	4.00
197	196	Transport 10100	4.00	4.00
198	197	Transport 10200	4.00	4.00
199	198	Transport 10300	4.00	4.00
200	199	Transport 10400	4.00	4.00

Conversion factor 0.7128 (0.7087)

CANADIANS

High	Low	Stock	Div. %	Yield
201	200	Transport 10500	4.00	4.00
202	201	Transport 10600	4.00	4.00
203	202	Transport 10700	4.00	4.00
204	203	Transport 10800	4.00	4.00
205	204	Transport 10900	4.00	4.00
206	205	Transport 11000	4.00	4.00
207	206	Transport 11100	4.00	4.00
208	207	Transport 11200	4.00	4.00
209	208	Transport 11300	4.00	4.00
210	209	Transport 11400	4.00	4.00

S.E. List Premium 40% based on 22.6188 per \$

BANKS AND HIRE PURCHASE

High	Low	Stock	Div. %	Yield
211	210	Transport 11500	4.00	4.00
212	211	Transport 11600	4.00	4.00
213	212	Transport 11700	4.00	4.00
214	213	Transport 11800	4.00	4.00
215	214	Transport 11900	4.00	4.00
216	215	Transport 12000	4.00	4.00
217	216	Transport 12100	4.00	4.00
218	217	Transport 12200	4.00	4.00
219	218	Transport 12300	4.00	4.00
220	219	Transport 12400	4.00	4.00

Hire Purchase, etc.

High	Low	Stock	Div. %	Yield
221	220	Transport 12500	4.00	4.00
222	221	Transport 12600	4.00	4.00
223	222	Transport 12700	4.00	4.00
224	223	Transport 12800	4.00	4.00
225	224	Transport 12900	4.00	4.00
226	225	Transport 13000	4.00	4.00
227	226	Transport 13100	4.00	4.00
228	227	Transport 13200	4.00	4.00
229	228	Transport 13300	4.00	4.00
230	229	Transport 13400	4.00	4.00

BEERS, WINES AND SPIRITS

High	Low	Stock	Div. %	Yield
231	230	Transport 13500	4.00	4.00
232	231	Transport 13600	4.00	4.00
233	232	Transport 13700	4.00	4.00
234	233	Transport 13800	4.00	4.00
235	234	Transport 13900	4.00	4.00
236	235	Transport 14000	4.00	4.00
237	236	Transport 14100	4.00	4.00
238	237	Transport 14200	4.00	4.00
239	238	Transport 14300	4.00	4.00
240	239	Transport 14400	4.00	4.00

CINEMAS, THEATRES AND TV

High	Low	Stock	Div. %	Yield
241	240	Transport 14500	4.00	4.00
242	241	Transport 14600	4.00	4.00
243	242	Transport 14700	4.00	4.00
244	243	Transport 14800	4.00	4.00
245	244	Transport 14900	4.00	4.00
246	245	Transport 15000	4.00	4.00
247	246	Transport 15100	4.00	4.00
248	247	Transport 15200	4.00	4.00
249	248	Transport 15300	4.00	4.00
250	249	Transport 15400	4.00	4.00

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Div. %	Yield
251	250	Transport 15500	4.00	4.00
252	251	Transport 15600	4.00	4.00
253	252	Transport 15700	4.00	4.00
254	253	Transport 15800	4.00	4.00
255	254	Transport 15900	4.00	4.00
256	255	Transport 16000	4.00	4.00
257	256	Transport 16100	4.00	4.00
258	257	Transport 16200	4.00	4.00
259	258	Transport 16300	4.00	4.00
260	259	Transport 16400	4.00	4.00

BUILDING INDUSTRY—Cont.

High	Low	Stock	Div. %	Yield
261	260	Transport 16500	4.00	4.00
262	261	Transport 16600	4.00	4.00
263	262	Transport 16700	4.00	4.00
264	263	Transport 16800	4.00	4.00
265	264	Transport 16900	4.00	4.00
266	265	Transport 17000	4.00	4.00
267	266	Transport 17100	4.00	4.00
268	267	Transport 17200	4.00	4.00
269	268	Transport 17300	4.00	4.00
270	269	Transport 17400	4.00	4.00

DRAPERY AND STORES—Cont.

High	Low	Stock	Div. %	Yield
271	270	Transport 17500	4.00	4.00
272	271	Transport 17600	4.00	4.00
273	272	Transport 17700	4.00	4.00
274	273	Transport 17800	4.00	4.00
275	274	Transport 17900	4.00	4.00
276	275	Transport 18000	4.00	4.00
277	276	Transport 18100	4.00	4.00
278	277	Transport 18200	4.00	4.00
279	278	Transport 18300	4.00	4.00
280	279	Transport 18400	4.00	4.00

ENGINEERING—Continued

High	Low	Stock	Div. %	Yield
281	280	Transport 18500	4.00</	

PROPERTY MANAGEMENT
BERNARDSTHORPE
 LONDON, SW1 TEL: 01-833 8893

ROBERT SMITH & SONS LTD
 E. efficient
 L. LOYAL CUSTOMERS TESTED
 F. INCLUDING TEST CERTIFICATE
 A. WYSE PLATE
 R. AUTOM-SPEED
 L. 24 HOURS SERVICE
 E. EXTENSIVE RANGE OF 24 HOURS PLANT

ROBERT SMITH & SONS LTD
 60/62 FORD, BROMFORD, WILTSHIRE
 TEL: 04547-4221 TELETYPE 974

Freightliners going back to British Rail

BY IAN HARGREAVES

FREIGHTLINERS, THE road rail container-carrying company controlled by the National Freight Corporation, is to be taken back to British Rail.

In a move which will delight the rail unions and British Rail but which will dismay senior management at NFC, Mr. William Rodgers, the Transport Secretary, will shortly announce that the company will revert to 100 per cent. railway ownership.

This decision, whose timing has not yet been settled, but which may be referred to when Mr. Rodgers answers a Parliamentary question on Freightliners today, is the climax in one of the most vigorous lobbying campaigns within the transport world in the last few years.

Since the Government announced its intention to review transport policy in 1975 the rival groups have pressed their case to the Minister, but this resulted only in a non-committal paragraph in June's Transport White Paper, saying that the matter would be reviewed in the future.

Within NFC this was taken as an affirmation of support for the status quo—an arrangement which gives British Rail a 49 per cent. stake in the business.

Among the factors which have persuaded Mr. Rodgers to pass the company into railway control are the clear political advantages of appeasing rail unions and the Labour Party conference, which has always taken a strong line on the subject.

Mr. Rodgers has probably also considered the looming problem of what to do about Freightliners' serious difficulties in affording replacements for its largely worn-out assets. It is estimated that this will cost £4m. a year for the next five years.

To have jumped this amount of cash through NFC for Freightliners would clash with the general Department of Transport line, which is to impose on NFC the strictest possible financial regime. NFC is judged to have lost control of parts of its business in 1974-75 when it plunged into a £21m. loss.

For British Rail, the acquisition of Freightliners is a vindication of its rail freight strategy, which is to concentrate on bulk train movements and rely mainly on containerised traffic for small consignments.

In taking Freightliners, British Rail has also had to agree to make serious cuts in its heavily loss-making door-to-door parcels services—another spin-off for the Government.

Mr. Rodgers' decision will come as a blow to the freight corporation, which has argued that its very nature as a road-rail carrier under the terms of the 1968 Transport Act is threatened by the loss of its main rail-connected company.

Freightliners itself has serious financial difficulties. It just traded profitably last year, but volumes and trading profit have slumped this year, mainly because of industrial relations problems at the port of Southampton and among some customers.

The most likely vehicle for the change in ownership will be the forthcoming Transport Bill, a portmanteau affair which will provide for the financial reconstruction of NFC, renewal of arrangements in British Rail, requirements for county council strategic transport plans and measures concerning rural bus services, leading of lorries and car parking in towns. This Bill will be published early next month.

Clearers worried by provision of services to public bodies

BY MICHAEL BLANDEN

GROWING concern is being expressed by the London clearing banks over the involvement of the Bank of England in providing commercial banking services to public bodies such as local authorities and nationalised industries.

Their worries have been focused on the arrangements for financing the central clearing house system for clearing cheques, and the contribution to costs made by the Bank.

The clearing banks have put forward a paper saying that the Bank should bear the full cost of using their services which is expected to be discussed at the next meeting between the two sides.

The Bank acknowledges that it will tender for business when asked by a public body, but maintains that it has not changed its policy and is not seeking to enlarge its activities.

Earlier this year, however, it was found that the Bank was in a position to provide the services to public bodies by re-arranging their affairs. It was concluded that the level of banking activity should be maintained as part of the Bank's general efforts to keep its finger on the pulse of banking developments. This decision was communicated in the clearing banks.

The issue of the clearing banks, which has been under discussion for some time, is regarded as separate. The clearing banks, however, are now linking the two. The Bank is a member of the clearing house and contributes to its overhead costs.

There are further costs involved in the actual handling of cheques and the money transmission services which fall on the banks themselves.

These tend to balance out among the big banks which collect each others' cheques, but in the Bank's case there is no two-way flow of cheques.

At present, the volume of business involved is small. But the clearing banks are suggesting now that the Bank should take the money transmission costs into account in tendering for business and that if its activities expand it should be fully charged for using the clearing bank facilities in the same way as other institutions.

At the same time, the clearing banks are hesitating to question at a more general level whether it will continue to be appropriate for the central bank to carry out commercial business when it is increasingly involved in supervisory and other activities which involve the gathering of confidential information from the banks.

Bank defends a 'closed shop' charge by Sarabex

BY JAMES BARTHOLOMEW

THE Bank of England has written to the European Commission defending the alleged "closed shop" in the London foreign exchange market.

The Bank considers that the current arrangements are essential in maintaining an effective and orderly foreign exchange and currency deposit market.

The controversy arose in August when Sarabex, a money broker with Middle Eastern connections, complained to the European Commission that the right of establishment in the London foreign exchange market was effectively denied to new brokers.

At present most banks deal only through brokers who are members of the Foreign Exchange and Currency Deposit Brokers' Association. Entry to this association is subject to sponsorship by six banks and conformity with certain rules.

Sarabex also claimed that the brokerage scales operated by members of the brokers' association were "considerably higher than in the other EEC countries."

It is clear now that the Bank of England is not going to leave the argument to the professional associations, the brokers' association and the British Bankers' Association. The submission by the Bank has not been published, but that by the association shows that the Bank's immediate concern is the possibility of interim measures. These could include a request that London banks be allowed to deal with Sarabex pending determination of the case.

The British bankers' reaction to such measures is that they "would be bound to damage, probably permanently, the present working of the markets."

For this reason alone, they are unacceptable.

In any event, the association says that it has not got the power to agree to instruct members that they may deal with Sarabex. Even if it had, further information about Sarabex would be needed.

Devolution win likely—Ministers

BY RICHARD EVANS, LOBBY EDITOR

MINISTERS AND Government Mr. John Morris, Secretary for Wales, argued that a measure of devolution was essential for the underlying unity of the U.K. when he introduced the second reading of the Wales Bill last night.

He appealed to Labour rebels to support the Bill so that the people of Wales could have an opportunity to decide under the referendum proposals, contained in the legislation. A vote on the second reading was due in the early hours of this morning.

Loss of the guillotine motions on both the Scotland Bill and the Wales Bill would have extremely serious political consequences as defeat would mean that the Government would be unable to secure the major plank of its legislative programme for the session.

Victory, however, would mean that the Government has over- come by far the most important Parliamentary hurdle of the session. Both Bills would then proceed in tandem through the Commons under the terms of the timetable and should reach the Statute Book by the summer.

The votes on the guillotine motions will be much closer than on the Scotland Bill because of the attitude of the Tory rebels.

Four voted in favour of the Scotland Bill and 18 abstained, but all are expected to oppose the guillotine except, possibly, Mr. Alick Buchanan-Smith (N. Angus and Mearns) and Mr. David Knox (Leek), who might abstain.

A factor in the Government's favour this time is the changed position of the Liberals. In the division in the last session which lost the Government the Scottish and Wales Bill, 11 of the 13 Liberals voted against the guillotine. This time, at least it will vote with the Government.

Mr. Morris, Secretary for Wales, argued that a measure of devolution was essential for the underlying unity of the U.K. when he introduced the second reading of the Wales Bill last night.

He appealed to Labour rebels to support the Bill so that the people of Wales could have an opportunity to decide under the referendum proposals, contained in the legislation. A vote on the second reading was due in the early hours of this morning.

Loss of the guillotine motions on both the Scotland Bill and the Wales Bill would have extremely serious political consequences as defeat would mean that the Government would be unable to secure the major plank of its legislative programme for the session.

Victory, however, would mean that the Government has over- come by far the most important Parliamentary hurdle of the session. Both Bills would then proceed in tandem through the Commons under the terms of the timetable and should reach the Statute Book by the summer.

The votes on the guillotine motions will be much closer than on the Scotland Bill because of the attitude of the Tory rebels.

Four voted in favour of the Scotland Bill and 18 abstained, but all are expected to oppose the guillotine except, possibly, Mr. Alick Buchanan-Smith (N. Angus and Mearns) and Mr. David Knox (Leek), who might abstain.

A factor in the Government's favour this time is the changed position of the Liberals. In the division in the last session which lost the Government the Scottish and Wales Bill, 11 of the 13 Liberals voted against the guillotine. This time, at least it will vote with the Government.

IBM leaving India in six months

BY JOHN WYLES

NEW YORK, Nov. 15.

INTERNATIONAL Business Machines today confirmed that its differences with the Indian Government were irreconcilable and that it had chosen to close down its operations within six months rather than dilute its holding to IBM's Indian company.

This decision, reported in the Financial Times last Friday, was confirmed by the company's headquarters in New York shortly after the news had been broken to a meeting of Indian employees in Bombay.

Mr. Frank T. Cary, IBM chairman, said that the company was being forced to change its operations in India because of the Government's requirement that it give up 60 per cent. of its business ownership there. IBM central equipment would be offered for sale to customers while the company's data processing manufacturing plant would be phased out.

At the same time IBM India's data centre services, card manufacturing and data processing maintenance operations would be disposed of. Mr. Cary added that the company was hopeful that this would result in employment opportunities for many of IBM India's 500 employees.

The company's future presence in India would be limited to a liaison office which would be established "to be able to receive authorised requests for IBM products and services."

Attempting to break the deadlock created by the Foreign Exchange Regulation Act, IBM proposed in April, 1976, to split its Indian operation into two companies. One with 100 per cent. IBM ownership would have conducted traditional marketing and maintenance activities, but its manufacturing would have been for export only. The other company, with 60 per cent. Indian ownership, would have taken over IBM India's data centre operations. But India did not accept the proposals.

K. K. Sharma reports from New Delhi: IBM has undertaken to help the government-owned Computer Maintenance Corporation to maintain 125 IBM computers here.

A memorandum signed between the two corporations outlines agreement on various issues including transfer of spares, tools, test equipment and documentation available in India as well as future supply of spares. IBM has agreed to assist CMC in manpower training and the Indian organisation has offered jobs to all IBM-trained engineers.

With to-day's announcement, IBM ends 25 years in India but a Government-owned corporation is already making computers of the same vintage as IBM's 1401 series sold here.

Bids are to be invited for new computers and IBM will be allowed to take part—on the basis of sales rather than rentals.

Varley to sign ships deal with Poland on Monday

BY IAN HARGREAVES

MR. ERIC VARLEY, the Industry Secretary, is expected to sign a deal on Monday involving the sale to Poland of 24 ships worth £11m.

Although no official confirmation was available yesterday, arrangements were in hand to hook a suitable price for the signing of a contract which has involved 18 months of tough bargaining.

Throughout the discussions there have been rumours of failure. As late as this summer, the Norwegians were still attempting to snatch the order from under the nose of British Shipbuilders.

In the six-week period since the Prime Minister told the Labour Party Conference that a conclusion to the negotiations was imminent, there have been a series of delays concerning the amount of Polish equipment for the ships and the details of a 100 per cent. credit package backing the deal.

This led the British negotiators in issue what was virtually an ultimatum on a settlement date when they visited Warsaw last week. Polish negotiators were in London yesterday and have apparently responded to this pressure.

It has been estimated that the order will save 8,000 jobs in Britain's beleaguered shipyards, although the deal has been criticised by U.K. shipowners as offering excessively cheap credit.

Firemen's dispute

The cost of recruitment and training involved in the introduction of a shorter working week for firemen was said to have been discussed.

But until resumed formal negotiations between the union and employers to-day little progress has been evident in talks between Mr. Terry Parry, general secretary of the FBU, and Mr. Brian Rusbridge, secretary for the employers' side.

The FBU, which insisted that talks with the employers had not broken down, said no suggestion had been made of a third party being brought in.

Mr. Len Murray, general secretary of the TUC, cancelled a business trip to Algeria when the strike began, but TUC involvement remains on a strictly informal level.

Four deaths were reported from fires yesterday, though none was attributed directly to the effects of the strike.

On Tyneside a man of 80 was brought from a fourth-storey flat and died on arrival at hospital.

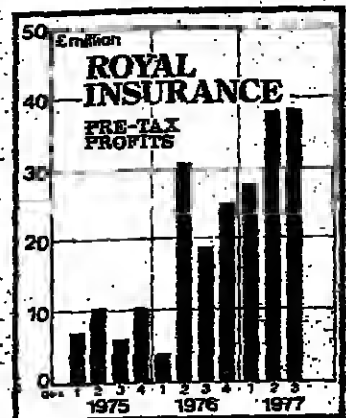
A man of 86 died in a cottage fire in Renfrewshire, and two deaths were reported from a wrecked car and a caravan site, both near Edinburgh.

THE LEX COLUMN

Currency problem for Courtaulds

On the Monday when sterling was allowed to float freely Courtaulds called a temporary halt to export bookings. It is being rethought its export selling policies in the new environment.

Index fell 8.8 to 487.9



At the interim stage, the group's £27.9m. pre-tax figure compared with £21.8m. in line with earlier predictions, and reflects the elimination of a number of loss-making operations and a slight measure of benefit from price rises which have pushed up the group's sales total by 131 per cent. But there is no going to be any repeat of the second half export selling spree which boosted profits last time, with as much as £59.1m. recorded in October-March; profits for 1977-78 are forecast to be down.

The best increases seem to have come in the professional equipment and industrial supplies sectors, although the latter showed some fall-off in the third quarter. Consumer goods achieved only slight growth and here trading profit is down on last year.

The negative impact of currency fluctuations is also evident in the profit and loss account, where it is largely responsible for a doubling (in £15.5m.) of the total net "other charges" after nine months. Further deficits in the final quarter could threaten the Board's forecast that post-tax profits as a percentage of sales, U.K. strike, Chloride profits would have been £3.25, against £1.50 last year and a figure well in excess of 5 guineers for the record years 1972 and 1973.

while, a 20 per cent. drop in premium income was faster than either CUI's experience and previous £103.9m. for the 9 months of 1977 are doubled.

Royal's U.K. business, extremely well with £12m. net profits over £12m. Last year's results were storm damage but the fire experience has been favourable and the motor business is breaking even. In America, Royal has met its U.S. underwrite from £19.7m. to £3.8m. third quarter net profit improved to 100.2 but a big boost has come from where Royal is more exposed than the other U.K. companies.

Canadian underwrite are over £11m. higher this year, not to be a group's main markets. Apart from the growth in volume, since 1975, U.K. price increases added 5 per cent. but—after the negative effect of currency translation—guilder figures show a net sales rise of only 2 per cent.

Royal's total pre-tax should top the £130m. 1977, and the only all on the horizon is its margin, which at 44 looks low in comparison with other U.K. and G.A. Provid raise the proportion of writing profits to pre-tax come to 3 per cent. currently 1.9 per cent. should be able to add financing position in medium-term. But this a lot.

Parliament Page 14

This year the U.K. market—absorbing around half Courtaulds sales—holds the key to the outlook. At least the group has no serious losses in fibres to cope with, like other European groups such as AKZO which yesterday reported a third quarter loss of £15.57m.

Courtaulds' losses in nylon are claimed to be modest by comparison. And there is just a chance that a revival of consumer demand could prompt a burst of restocking, given that the industry's stock pipeline is fairly empty at this stage.

But there are few chinks of light at present, and although Courtaulds has trimmed its rate of capital spending back to less than the depreciation provision its cash resources fell by £17m. during the half-year. On the basis of £70m. pre-tax, against £80.9m. for the full year the p/e at 109p could be around 7, depending on the tax charge. That is no great protection, however, and the yield of over 10 per cent. is a more important support.

Royal Insurance's third quarter figures look impressive. Although the group continued to make underwriting losses in the U.S.—unlike Commercial Union and General Accident—its worldwide underwriting business remained profitable for the third consecutive quarter. Member's £17m. rights fall

Philips' decision three months ago to lower its forecast of sales volume growth by a couple of points to 7 per cent. is justified by the group's performance dur-

ing the first 9 months of 1977. The problem continues to be low economic growth in the group's main markets. Apart from the growth in volume, since price increases added 5 per cent. but—after the negative effect of currency translation—guilder figures show a net sales rise of only 2 per cent.

Even after allowing £3m. estimated cost of U.K. strike, Chloride profits would have been £3.25, against £1.50 last year and a figure well in excess of 5 guineers for the record years 1972 and 1973.

Chloride's buy-out-September are in the way prior to the member's £17m. rights fall

do you know?

- 1 Which City has more miles of canals than Venice?
- 2 Which City was described in the Domesday Book of 1086 as being worth 20 shillings?
- 3 Which City has a population of 28 million living within 100 miles?
- 4 Which City is at the hub of the UK Motorway network?
- 5 Which City has over 190,000 sq. ft. of available office space in one building now?

Of course you know that Birmingham is the UK's second largest City but perhaps we could tell you about Berkley House a fine new building in the heart of that City—would you like to see our film?

Weatherall Green & Smith
 22 Colmore Lane, London, W1C 2EP
 01-405 6944
 Telex 22446

EDWARDS BICWOOD & BEWLEY
 78 Colmore Row, Birmingham B3 2HG
 021-236 8477

Berkley House

Registered at the District Office, Printed by St. Clements Press and published by the Financial Times Ltd., Printed House, Cannon Street, London EC4A 3DF.

مركز من التحليل